

# **FISCAL BIENNIUM 2006-2008 COMMONWEALTH BUDGET FINAL BUDGET MEMORANDUM**

## **VOLUME V**

**Legislative Research Commission**

**June 7, 2006**

**This FB 2006-2008 Commonwealth Budget Final Budget Memorandum, as approved by the Legislative Research Commission pursuant to 2006 HJR 93, enumerates the changes made by the 2006 General Assembly to HB 380, the State/Executive Branch Budget Bill, and provides explanatory detail to convey the intent of their actions. This report addresses not only provisions of HB 380, but also applicable provisions of HB 557 that impact, add, or modify appropriation and revenue provisions contained in HB 380.**

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**FISCAL BIENNIUM 2006-2008 COMMONWEALTH BUDGET  
FINAL BUDGET MEMORANDUM**

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## **Justice and Public Safety Cabinet**

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# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## JUSTICE AND PUBLIC SAFETY CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Justice Administration	29,658,100	29,658,100		28,338,600	28,619,700	281,100	28,075,000	28,852,600	777,600
Criminal Justice Training	45,460,800	45,460,800		49,059,500	48,240,800	(818,700)	49,360,900	48,631,100	(729,800)
Juvenile Justice	106,997,900	106,997,900		110,875,900	110,925,900	50,000	112,294,900	112,344,900	50,000
State Police	141,219,400	141,219,400		152,305,100	149,804,400	(2,500,700)	153,777,700	157,294,200	3,516,500
Corrections Management	20,036,700	20,036,700		22,946,700	22,946,700		23,035,400	22,963,400	(72,000)
Adult Correctional Institutions	233,322,400	233,322,400		245,142,700	239,342,700	(5,800,000)	252,132,000	246,332,000	(5,800,000)
Community Services and Local Facilities	101,878,100	101,878,100		117,940,600	118,940,600	1,000,000	131,084,300	132,084,300	1,000,000
Local Jail Support	16,236,100	16,236,100		16,236,100	16,236,100		16,236,100	16,236,100	
Vehicle Enforcement	20,590,700	20,590,700		19,860,800	20,803,600	942,800	19,767,200	20,087,200	320,000
Public Advocacy	34,055,300	34,055,300		38,204,500	38,204,500		38,005,300	38,005,300	
<b>Regular Appropriation</b>	<b>749,455,500</b>	<b>749,455,500</b>		<b>800,910,500</b>	<b>794,065,000</b>	<b>(6,845,500)</b>	<b>823,768,800</b>	<b>822,831,100</b>	<b>(937,700)</b>

**FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY**

**JUSTICE AND PUBLIC SAFETY CABINET OPERATING BUDGET**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>GENERAL FUND (TOBACCO)</b>								
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>								
Justice Administration	2,071,600	2,071,600	1,816,800	1,816,800		1,923,400	1,923,400	
<b>Regular Appropriation</b>	<b>2,071,600</b>	<b>2,071,600</b>	<b>1,816,800</b>	<b>1,816,800</b>		<b>1,923,400</b>	<b>1,923,400</b>	

**GENERAL FUND (TOBACCO)**

**CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT**

Justice Administration	1,979,800	1,979,800						
<b>Reserve Spending</b>	<b>1,979,800</b>	<b>1,979,800</b>						

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## JUSTICE AND PUBLIC SAFETY CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>GENERAL FUND</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Justice Administration	13,184,700	13,184,700		13,565,600	13,796,700	231,100	13,718,800	13,946,400	227,600
Juvenile Justice	79,728,900	79,728,900		83,955,900	84,005,900	50,000	85,674,900	85,724,900	50,000
State Police	85,369,400	85,369,400		88,810,300	69,645,800	(19,164,500)	93,609,600	80,305,900	(13,303,700)
Corrections Management	7,194,200	7,194,200		7,253,600	7,253,600		7,191,700	7,119,700	(72,000)
Adult Correctional Institutions	226,167,500	226,167,500		238,000,900	232,200,900	(5,800,000)	244,990,200	239,190,200	(5,800,000)
Community Services and Local Facilities	101,457,100	101,457,100		113,496,600	114,496,600	1,000,000	129,140,300	130,140,300	1,000,000
Local Jail Support	16,236,100	16,236,100		16,236,100	16,236,100		16,236,100	16,236,100	
Public Advocacy	25,923,800	25,923,800		29,770,700	29,770,700		31,886,400	31,886,400	
<b>Regular Appropriation</b>	<b>555,261,700</b>	<b>555,261,700</b>		<b>591,089,700</b>	<b>567,406,300</b>	<b>(23,683,400)</b>	<b>622,448,000</b>	<b>604,549,900</b>	<b>(17,898,100)</b>

### GENERAL FUND

#### CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Justice Administration	191,900	191,900	
Local Jail Support	37,400	37,400	
<b>Reserve Spending</b>	<b>229,300</b>	<b>229,300</b>	

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## JUSTICE AND PUBLIC SAFETY CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>RESTRICTED FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Justice Administration	3,628,700	3,628,700		3,290,100	3,340,100	50,000	3,290,100	3,840,100	550,000
Criminal Justice Training	41,546,000	41,546,000		47,186,000	46,367,300	(818,700)	47,474,600	46,744,800	(729,800)
Juvenile Justice	12,200,000	12,200,000		12,200,000	12,200,000		12,200,000	12,200,000	
State Police	12,636,200	12,636,200		15,050,100	16,713,900	1,663,800	11,723,400	13,543,600	1,820,200
Corrections Management	12,842,500	12,842,500		15,693,100	15,693,100		15,843,700	15,843,700	
Adult Correctional Institutions	5,448,300	5,448,300		5,435,200	5,435,200		5,435,200	5,435,200	
Community Services and Local Facilities	346,000	346,000		4,369,000	4,369,000		1,869,000	1,869,000	
Vehicle Enforcement	723,500	723,500		723,500	1,666,300	942,800	723,500	1,043,500	320,000
Public Advocacy	6,361,800	6,361,800		6,815,500	6,815,500		4,455,800	4,455,800	
<b>Regular Appropriation</b>	<b>95,733,000</b>	<b>95,733,000</b>		<b>110,762,500</b>	<b>112,600,400</b>	<b>1,837,900</b>	<b>103,015,300</b>	<b>104,975,700</b>	<b>1,960,400</b>

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## JUSTICE AND PUBLIC SAFETY CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>FEDERAL FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Justice Administration	10,773,100	10,773,100		9,666,100	9,666,100		9,142,700	9,142,700	
Criminal Justice Training	3,914,800	3,914,800		1,873,500	1,873,500		1,886,300	1,886,300	
Juvenile Justice	15,069,000	15,069,000		14,720,000	14,720,000		14,420,000	14,420,000	
State Police	13,444,700	13,444,700		13,444,700	13,444,700		13,444,700	13,444,700	
Adult Correctional Institutions	1,706,600	1,706,600		1,706,600	1,706,600		1,706,600	1,706,600	
Community Services and Local Facilities	75,000	75,000		75,000	75,000		75,000	75,000	
Vehicle Enforcement	6,868,200	6,868,200		5,162,400	5,162,400		5,162,200	5,162,200	
Public Advocacy	1,769,700	1,769,700		1,618,300	1,618,300		1,663,100	1,663,100	
<b>Regular Appropriation</b>	<b>53,621,100</b>	<b>53,621,100</b>		<b>48,266,600</b>	<b>48,266,600</b>		<b>47,500,600</b>	<b>47,500,600</b>	

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## JUSTICE AND PUBLIC SAFETY CABINET OPERATING BUDGET

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>ROAD FUND</b>								
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>								
State Police	29,769,100	29,769,100	35,000,000	50,000,000	15,000,000	35,000,000	50,000,000	15,000,000
Vehicle Enforcement	12,999,000	12,999,000	13,974,900	13,974,900		13,881,500	13,881,500	
<b>Regular Appropriation</b>	<b>42,768,100</b>	<b>42,768,100</b>	<b>48,974,900</b>	<b>63,974,900</b>	<b>15,000,000</b>	<b>48,881,500</b>	<b>63,881,500</b>	<b>15,000,000</b>

## I - Justice and Public Safety Cabinet

## Operating Budget

## Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	2,071,600	2,071,600		1,816,800	1,816,800		1,923,400	1,923,400	
General Fund	555,261,700	555,261,700		591,089,700	567,406,300	(23,683,400)	622,448,000	604,549,900	(17,898,100)
Restricted Funds	95,733,000	95,733,000		110,762,500	112,600,400	1,837,900	103,015,300	104,975,700	1,960,400
Federal Funds	53,621,100	53,621,100		48,266,600	48,266,600		47,500,600	47,500,600	
Road Fund	42,768,100	42,768,100		48,974,900	63,974,900	15,000,000	48,881,500	63,881,500	15,000,000
<b>Regular Total Funds</b>	<b>749,455,500</b>	<b>749,455,500</b>		<b>800,910,500</b>	<b>794,065,000</b>	<b>(6,845,500)</b>	<b>823,768,800</b>	<b>822,831,100</b>	<b>(937,700)</b>
Use of Continuing	2,209,100	2,209,100							
<b>TOTAL FUNDS</b>	<b>751,664,600</b>	<b>751,664,600</b>		<b>800,910,500</b>	<b>794,065,000</b>	<b>(6,845,500)</b>	<b>823,768,800</b>	<b>822,831,100</b>	<b>(937,700)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	413,724,800	413,724,800		444,346,300	441,990,000	(2,356,300)	457,412,500	460,453,100	3,040,600
Operating Expenses	88,437,500	88,437,500		90,350,900	91,374,400	1,023,500	89,829,100	90,852,600	1,023,500
Grants, Loans, Benefits	236,594,500	236,594,500		252,539,500	247,020,800	(5,518,700)	263,138,200	258,208,400	(4,929,800)
Debt Service	3,415,200	3,415,200		3,419,000	3,419,000		3,571,000	3,499,000	(72,000)
Capital Outlay	8,492,600	8,492,600		8,554,800	8,560,800	6,000	8,518,000	8,518,000	
Construction	1,000,000	1,000,000		1,700,000	1,700,000		1,300,000	1,300,000	
<b>TOTAL EXPENDITURES</b>	<b>751,664,600</b>	<b>751,664,600</b>		<b>800,910,500</b>	<b>794,065,000</b>	<b>(6,845,500)</b>	<b>823,768,800</b>	<b>822,831,100</b>	<b>(937,700)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	2,071,600	2,071,600		1,816,800	1,816,800		1,923,400	1,923,400	
General Fund	553,960,500	553,960,500		562,129,100	538,137,300	(23,991,800)	576,714,400	552,644,200	(24,070,200)
Restricted Funds	95,733,000	95,131,000	(602,000)	95,136,300	98,371,500	3,235,200	87,626,400	90,806,700	3,180,300
Federal Funds	53,621,100	53,621,100		48,266,600	48,266,600		47,500,600	47,500,600	
Road Fund	42,768,100	42,768,100		48,974,900	63,974,900	15,000,000	48,881,500	63,881,500	15,000,000
<b>Regular Total Funds</b>	<b>748,154,300</b>	<b>747,552,300</b>	<b>(602,000)</b>	<b>756,323,700</b>	<b>750,567,100</b>	<b>(5,756,600)</b>	<b>762,646,300</b>	<b>756,756,400</b>	<b>(5,889,900)</b>
Use of Continuing	2,209,100	2,209,100							
<b>TOTAL BASE LEVEL</b>	<b>750,363,400</b>	<b>749,761,400</b>	<b>(602,000)</b>	<b>756,323,700</b>	<b>750,567,100</b>	<b>(5,756,600)</b>	<b>762,646,300</b>	<b>756,756,400</b>	<b>(5,889,900)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund	1,301,200	1,301,200		28,960,600	29,269,000	308,400	45,733,600	51,905,700	6,172,100
Restricted Funds		602,000	602,000	15,626,200	14,228,900	(1,397,300)	15,388,900	14,169,000	(1,219,900)
<b>TOTAL ADDITIONAL</b>	<b>1,301,200</b>	<b>1,903,200</b>	<b>602,000</b>	<b>44,586,800</b>	<b>43,497,900</b>	<b>(1,088,900)</b>	<b>61,122,500</b>	<b>66,074,700</b>	<b>4,952,200</b>

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## I - Justice and Public Safety Cabinet

## Capital Budget

## Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
General Fund									
Restricted Funds				700,000	700,000		300,000	300,000	
Bond Funds				1,607,000	1,697,000	90,000			
Capital Construction Surplus				1,500,000	1,500,000				
Investment Income				2,600,000	2,600,000		1,350,000	1,350,000	
Emergency Repair Maintenance and Replacement				1,700,000	1,700,000				
<b>TOTAL CAPITAL</b>				<b>8,107,000</b>	<b>8,197,000</b>	<b>90,000</b>	<b>1,650,000</b>	<b>1,650,000</b>	

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**I - Justice and Public Safety Cabinet****Operating Budget****Justice Administration**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	2,071,600	2,071,600		1,816,800	1,816,800		1,923,400	1,923,400	
General Fund	13,184,700	13,184,700		13,565,600	13,796,700	231,100	13,718,800	13,946,400	227,600
Restricted Funds	3,628,700	3,628,700		3,290,100	3,340,100	50,000	3,290,100	3,840,100	550,000
Federal Funds	10,773,100	10,773,100		9,666,100	9,666,100		9,142,700	9,142,700	
<b>Regular Total Funds</b>	<b>29,658,100</b>	<b>29,658,100</b>		<b>28,338,600</b>	<b>28,619,700</b>	<b>281,100</b>	<b>28,075,000</b>	<b>28,852,600</b>	<b>777,600</b>
Use of Continuing	2,171,700	2,171,700							
<b>TOTAL FUNDS</b>	<b>31,829,800</b>	<b>31,829,800</b>		<b>28,338,600</b>	<b>28,619,700</b>	<b>281,100</b>	<b>28,075,000</b>	<b>28,852,600</b>	<b>777,600</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	8,423,000	8,423,000		8,535,300	8,736,900	201,600	8,691,700	8,895,800	204,100
Operating Expenses	1,645,400	1,645,400		1,652,500	1,676,000	23,500	1,650,600	1,674,100	23,500
Grants, Loans, Benefits	21,623,300	21,623,300		18,108,800	18,158,800	50,000	17,690,700	18,240,700	550,000
Capital Outlay	138,100	138,100		42,000	48,000	6,000	42,000	42,000	
<b>TOTAL EXPENDITURES</b>	<b>31,829,800</b>	<b>31,829,800</b>		<b>28,338,600</b>	<b>28,619,700</b>	<b>281,100</b>	<b>28,075,000</b>	<b>28,852,600</b>	<b>777,600</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	2,071,600	2,071,600		1,816,800	1,816,800		1,923,400	1,923,400	
General Fund	13,184,700	13,184,700		13,565,600	12,565,600	(1,000,000)	13,718,800	12,718,800	(1,000,000)
Restricted Funds	3,628,700	3,628,700		3,290,100	3,340,100	50,000	3,290,100	3,840,100	550,000
Federal Funds	10,773,100	10,773,100		9,666,100	9,666,100		9,142,700	9,142,700	
<b>Regular Total Funds</b>	<b>29,658,100</b>	<b>29,658,100</b>		<b>28,338,600</b>	<b>27,388,600</b>	<b>(950,000)</b>	<b>28,075,000</b>	<b>27,625,000</b>	<b>(450,000)</b>
Use of Continuing	2,171,700	2,171,700							
<b>TOTAL BASE LEVEL</b>	<b>31,829,800</b>	<b>31,829,800</b>		<b>28,338,600</b>	<b>27,388,600</b>	<b>(950,000)</b>	<b>28,075,000</b>	<b>27,625,000</b>	<b>(450,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund					1,231,100	1,231,100		1,227,600	1,227,600
<b>TOTAL ADDITIONAL</b>					<b>1,231,100</b>	<b>1,231,100</b>		<b>1,227,600</b>	<b>1,227,600</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1</b>	<b>EXPAN Justice Administration - Parole Board</b>								
ABR5000002	Provide funds to increase parole board members salaries to bring everyone up to \$63,000. Current salaries range from \$43,000 to \$63,000 for the 7 parole board members.								
General Fund					63,100	63,100		64,400	64,400
<b>Project Total</b>					<b>63,100</b>	<b>63,100</b>		<b>64,400</b>	<b>64,400</b>

**I - Justice and Public Safety Cabinet****Operating Budget****Justice Administration**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 EXPAN Justice Administration - Medical Examiner</b>								
ABR5000003 Provide funds for a physician and equipment at the Northern Kentucky Medical Examiners Office								
General Fund				168,000	168,000		163,200	163,200
<b>Project Total</b>				<b>168,000</b>	<b>168,000</b>		<b>163,200</b>	<b>163,200</b>
<b>3 RFF Justice Administration - Office of Drug Control Policy</b>								
ABR5000008 Provide General Fund support to replace the loss of Federal Funds from the Multijurisdictional Drug Task Force.								
General Fund				1,000,000	1,000,000		1,000,000	1,000,000
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>
<b>TOTAL ADDITIONAL</b>				<b>1,231,100</b>	<b>1,231,100</b>		<b>1,227,600</b>	<b>1,227,600</b>

**TRANSFERS TO THE GENERAL FUND****Justice Administration**

Agency Revenue Fund	109,100	109,100
<b>TOTAL</b>	<b>109,100</b>	<b>109,100</b>

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**Justice Administration**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Justice Administration, Restricted Funds of \$109,100 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Office of Drug Control Policy:** Included in the above General Fund appropriation is \$1,000,000 in each year of the biennium and \$1,000,000 in the above Restricted Funds appropriation in each year of the biennium for regional Drug Courts in Kentucky's coal-producing counties."

**"Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$1,816,800 in fiscal year 2006-2007 and \$1,923,400 in fiscal year 2007-2008 for the Office of Drug Control Policy."

**"Civil Legal Services for Indigents:** Included in the above General Fund appropriation is \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 to provide free legal services for indigents."

**"Operation Unite:** Included in the above Restricted Funds appropriation is \$1,500,000 in each year of the biennium for Operation Unite."

The funding provided in the Office of Drug Control Policy for regional Drug Courts in Kentucky allows for continuation of currently funded Drug Courts. The Branch Budget for the Office of Drug Control Policy also provides General Fund support totaling \$500,000 in each fiscal year to continue the drug and substance abuse education programs for Eastern Kentucky school children and \$1 million in each fiscal year for treatment of non-violent offenders housed in local jails.

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**Justice Administration**

The State/Executive Branch Budget Bill, Part X, Tobacco Settlement, Section D. Health Care Improvement Appropriations, General Fund - Phase I Tobacco Settlement Funds, Subsection 3. Justice and Public Safety Cabinet, includes a language provision that directs:

**"Office of Drug Control Policy:** Included in the above General Fund (Tobacco) appropriation is \$1,816,800 in fiscal year 2006-2007 and \$1,923,400 in fiscal year 2007-2008 for the Office of Drug Control Policy."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to revise the following language provisions.

**"Office of Drug Control Policy:** Included in the above Restricted Funds appropriation is \$1,300,000 in fiscal year 2006-2007 and \$1,800,000 in fiscal year 2007-2008 for regional Drug Courts in Kentucky's coal-producing counties."

**"Operation Unite:** Included in the above Restricted Funds appropriation is \$1,250,000 in each year of the biennium for Operation Unite."

**"Multijurisdictional Drug Task Forces:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year to be administered by the Office of Drug Control Policy for the purpose of maintaining existing multijurisdictional drug task forces and allowing for expansion to under served and unserved areas to assist local and state law enforcement agencies in a proactive effort to combat drugs and crime."

The General Assembly provides General Fund support totaling \$1,000,000 in each year of the biennium for the Office of Drug Control Policy to replace the loss of Federal Funds.

**I - Justice and Public Safety Cabinet****Operating Budget****Criminal Justice Training**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	41,546,000	41,546,000		47,186,000	46,367,300	(818,700)	47,474,600	46,744,800	(729,800)
Federal Funds	3,914,800	3,914,800		1,873,500	1,873,500		1,886,300	1,886,300	
<b>Regular Total Funds</b>	<b>45,460,800</b>	<b>45,460,800</b>		<b>49,059,500</b>	<b>48,240,800</b>	<b>(818,700)</b>	<b>49,360,900</b>	<b>48,631,100</b>	<b>(729,800)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>45,460,800</b>	<b>45,460,800</b>		<b>49,059,500</b>	<b>48,240,800</b>	<b>(818,700)</b>	<b>49,360,900</b>	<b>48,631,100</b>	<b>(729,800)</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	12,774,000	12,774,000		11,970,800	11,970,800		12,205,000	12,205,000	
Operating Expenses	2,967,100	2,967,100		3,296,300	3,296,300		3,302,500	3,302,500	
Grants, Loans, Benefits	26,379,100	26,379,100		29,498,000	28,679,300	(818,700)	29,961,000	29,231,200	(729,800)
Debt Service	3,331,400	3,331,400		3,335,200	3,335,200		3,333,200	3,333,200	
Capital Outlay	9,200	9,200		259,200	259,200		259,200	259,200	
Construction				700,000	700,000		300,000	300,000	
<b>TOTAL EXPENDITURES</b>	<b>45,460,800</b>	<b>45,460,800</b>		<b>49,059,500</b>	<b>48,240,800</b>	<b>(818,700)</b>	<b>49,360,900</b>	<b>48,631,100</b>	<b>(729,800)</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

Restricted Funds	41,546,000	40,944,000	(602,000)	39,764,300	39,764,300		40,440,800	40,440,800	
Federal Funds	3,914,800	3,914,800		1,873,500	1,873,500		1,886,300	1,886,300	
<b>Regular Total Funds</b>	<b>45,460,800</b>	<b>44,858,800</b>	<b>(602,000)</b>	<b>41,637,800</b>	<b>41,637,800</b>		<b>42,327,100</b>	<b>42,327,100</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>45,460,800</b>	<b>44,858,800</b>	<b>(602,000)</b>	<b>41,637,800</b>	<b>41,637,800</b>		<b>42,327,100</b>	<b>42,327,100</b>	

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

Restricted Funds		602,000	602,000	7,421,700	6,603,000	(818,700)	7,033,800	6,304,000	(729,800)
<b>TOTAL ADDITIONAL</b>		<b>602,000</b>	<b>602,000</b>	<b>7,421,700</b>	<b>6,603,000</b>	<b>(818,700)</b>	<b>7,033,800</b>	<b>6,304,000</b>	<b>(729,800)</b>

**V. ADDITIONAL BUDGET ITEMS****1 GB Criminal Justice Training - Peace Officers Professional Standards Program and Debt Service**

ABR5250007 Provide funds to bring Peace Officers Professional Standards Program (POPS) funding on-budget.

Restricted Funds		602,000	602,000	607,300	607,300		610,300	610,300	
<b>Project Total</b>		<b>602,000</b>	<b>602,000</b>	<b>607,300</b>	<b>607,300</b>		<b>610,300</b>	<b>610,300</b>	

**2 GB Criminal Justice Training - KLEFPF**

ABR5250002 Provide funds for 25 replacement vehicles.

Restricted Funds				250,000	250,000		250,000	250,000	
<b>Project Total</b>				<b>250,000</b>	<b>250,000</b>		<b>250,000</b>	<b>250,000</b>	

**I - Justice and Public Safety Cabinet****Operating Budget****Criminal Justice Training**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>3 GB</b>	<b>Criminal Justice Training - KLEFPF</b>							
ABR5250006	Provide funds for growth in local law enforcement population.							
Restricted Funds			454,000	454,000		463,100	463,100	
<b>Project Total</b>			<b>454,000</b>	<b>454,000</b>		<b>463,100</b>	<b>463,100</b>	
<b>4 NEW</b>	<b>Criminal Justice Training - Thompson Hall</b>							
ABR5250009	Provide funds for Thompson Hall HVAC repair project that is authorized in the Capital Budget.							
Restricted Funds			400,000	400,000				
<b>Project Total</b>			<b>400,000</b>	<b>400,000</b>				
<b>5 NEW</b>	<b>Criminal Justice Training - Maintenance Pool</b>							
ABR5250010	Provide funds for the Miscellaneous Maintenance Pool that is authorized in the Capital Budget.							
Restricted Funds			300,000	300,000		300,000	300,000	
<b>Project Total</b>			<b>300,000</b>	<b>300,000</b>		<b>300,000</b>	<b>300,000</b>	
<b>6 CONT</b>	<b>Criminal Justice Training - KLEFPF</b>							
ABR5250012	Provide for \$3,100 annual training incentive payment to KSP troopers, arson investigators, hazardous devices investigators, legislative security specialist & vehicle enforcement officers. GENERAL ASSEMBLY: Provide funding for current number of recipients.							
Restricted Funds			5,410,400	4,591,700	(818,700)	5,410,400	4,680,600	(729,800)
<b>Project Total</b>			<b>5,410,400</b>	<b>4,591,700</b>	<b>(818,700)</b>	<b>5,410,400</b>	<b>4,680,600</b>	<b>(729,800)</b>
<b>TOTAL ADDITIONAL</b>	<b>602,000</b>	<b>602,000</b>	<b>7,421,700</b>	<b>6,603,000</b>	<b>(818,700)</b>	<b>7,033,800</b>	<b>6,304,000</b>	<b>(729,800)</b>

**TRANSFERS TO THE GENERAL FUND****Criminal Justice Training**

Kentucky Law Enforcement Foundation Program Fund (KRS 15.430)	2,000,000	2,000,000
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<b>TOTAL</b>	<b>2,000,000</b>	<b>2,000,000</b>
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**Criminal Justice Training**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Kentucky Law Enforcement Foundation Program Fund, Restricted Funds of \$2,000,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Kentucky Law Enforcement Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$46,551,000 in fiscal year 2006-2007 and \$45,834,800 in fiscal year 2007-2008 for the Kentucky Law Enforcement Foundation Program Fund."

**"Training Incentive Payments:** Notwithstanding KRS 15.460(1), included in the above Restricted Funds appropriation is \$3,100 in fiscal year 2006-2007 and \$3,100 in fiscal year 2007-2008 for each participant for training incentive payments."

**"Training Incentive Stipends - Justice and Public Safety Cabinet Personnel:** Notwithstanding KRS 15.410, 15.420(2), 15.440(1), 15.460(1), and 15.470(2) and (4), included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend for Kentucky state troopers, Kentucky State Police arson investigators, Kentucky State Police hazardous devices investigators, Kentucky State Police legislative security specialists, Kentucky State Police dispatchers, and Kentucky vehicle enforcement officers."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to revise the following language provisions.

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**Criminal Justice Training**

**"Kentucky Law Enforcement Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$44,732,300 in fiscal year 2006-2007 and \$45,105,000 in fiscal year 2007-2008 for the Kentucky Law Enforcement Foundation Program Fund."

**"Training Incentive Stipends - Justice and Public Safety Cabinet Personnel:** Notwithstanding KRS 15.410, 15.420(2), 15.440(1), 15.460(1), and 15.470(2) and (4), included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend for Kentucky state troopers, Kentucky State Police arson investigators, Kentucky State Police hazardous devices investigators, Kentucky State Police legislative security specialists, and Kentucky vehicle enforcement officers."

**I - Justice and Public Safety Cabinet****Capital Budget****Criminal Justice Training**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				700,000	700,000		300,000	300,000	
<b>TOTAL CAPITAL</b>				<b>700,000</b>	<b>700,000</b>		<b>300,000</b>	<b>300,000</b>	
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Maintenance Pool</b>								
PRJ5251428									
Restricted Funds				300,000	300,000		300,000	300,000	
<b>Project Total</b>				<b>300,000</b>	<b>300,000</b>		<b>300,000</b>	<b>300,000</b>	
<b>2</b>	<b>Thompson Hall HVAC</b>								
PRJ5251431									
Restricted Funds				400,000	400,000				
<b>Project Total</b>				<b>400,000</b>	<b>400,000</b>				
<b>TOTAL CAPITAL</b>				<b>700,000</b>	<b>700,000</b>		<b>300,000</b>	<b>300,000</b>	

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**I - Justice and Public Safety Cabinet****Operating Budget****Juvenile Justice**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	79,728,900	79,728,900		83,955,900	84,005,900	50,000	85,674,900	85,724,900	50,000
Restricted Funds	12,200,000	12,200,000		12,200,000	12,200,000		12,200,000	12,200,000	
Federal Funds	15,069,000	15,069,000		14,720,000	14,720,000		14,420,000	14,420,000	
<b>Regular Total Funds</b>	<b>106,997,900</b>	<b>106,997,900</b>		<b>110,875,900</b>	<b>110,925,900</b>	<b>50,000</b>	<b>112,294,900</b>	<b>112,344,900</b>	<b>50,000</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>106,997,900</b>	<b>106,997,900</b>		<b>110,875,900</b>	<b>110,925,900</b>	<b>50,000</b>	<b>112,294,900</b>	<b>112,344,900</b>	<b>50,000</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	67,959,900	67,959,900		70,426,300	70,426,300		72,145,300	72,145,300	
Operating Expenses	11,650,600	11,650,600		11,502,400	11,502,400		11,202,400	11,202,400	
Grants, Loans, Benefits	26,387,400	26,387,400		27,947,200	27,997,200	50,000	27,947,200	27,997,200	50,000
Construction	1,000,000	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	
<b>TOTAL EXPENDITURES</b>	<b>106,997,900</b>	<b>106,997,900</b>		<b>110,875,900</b>	<b>110,925,900</b>	<b>50,000</b>	<b>112,294,900</b>	<b>112,344,900</b>	<b>50,000</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	79,728,900	79,728,900		83,955,900	83,955,900		85,674,900	85,674,900	
Restricted Funds	12,200,000	12,200,000		12,200,000	12,200,000		12,200,000	12,200,000	
Federal Funds	15,069,000	15,069,000		14,720,000	14,720,000		14,420,000	14,420,000	
<b>Regular Total Funds</b>	<b>106,997,900</b>	<b>106,997,900</b>		<b>110,875,900</b>	<b>110,875,900</b>		<b>112,294,900</b>	<b>112,294,900</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>106,997,900</b>	<b>106,997,900</b>		<b>110,875,900</b>	<b>110,875,900</b>		<b>112,294,900</b>	<b>112,294,900</b>	

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				50,000	50,000		50,000	50,000	
<b>TOTAL ADDITIONAL</b>				<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	

**V. ADDITIONAL BUDGET ITEMS****1 EXPAN Juvenile Justice - Mary Kendall Homes**

ABR5230012 Provide additional support for the Mary Kendall Homes. Total funding provided is \$350,000 in each fiscal year.

General Fund				50,000	50,000		50,000	50,000	
<b>Project Total</b>				<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	
<b>TOTAL ADDITIONAL</b>				<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	

**TRANSFERS TO THE GENERAL FUND****Juvenile Justice**

## FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## I - Justice and Public Safety Cabinet

## Operating Budget

## Juvenile Justice

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TRANSFERS TO THE GENERAL FUND</b>									
Agency Revenue Fund	6,520,000	6,520,000							
<b>TOTAL</b>	<b>6,520,000</b>	<b>6,520,000</b>							

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**Juvenile Justice**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Juvenile Justice, Restricted Funds of \$6,520,000 in fiscal year 2005-2006.

The Branch Budget includes funding for 22 new positions for the Fayette County Detention Center and for 37 new youth service worker positions to be allocated among the Department's statewide facilities.

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to add the following language provisions.

**"Mary Kendall Homes:** Included in the above General Fund appropriation is \$350,000 in fiscal year 2006-2007 and \$350,000 in fiscal year 2007-2008 for the support of the Mary Kendall Homes."

**"Madison County Juvenile Detention:** The Madison County juvenile detention facility may remain open to hold juveniles from Madison County, and the county shall receive the detention subsidy provided for in KRS 635.060(3)."

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**I - Justice and Public Safety Cabinet****Capital Budget****Juvenile Justice**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Capital Construction Surplus				1,500,000	1,500,000				
Investment Income				450,000	450,000		450,000	450,000	
Emergency Repair Maintenance and Replacement				1,700,000	1,700,000				
<b>TOTAL CAPITAL</b>				<b>3,650,000</b>	<b>3,650,000</b>		<b>450,000</b>	<b>450,000</b>	

**II. CAPITAL PROJECTS**

<b>1</b>	<b>Maintenance Pool</b>								
PRJ5231425									
Investment Income				450,000	450,000		450,000	450,000	
<b>Project Total</b>				<b>450,000</b>	<b>450,000</b>		<b>450,000</b>	<b>450,000</b>	
<b>2</b>	<b>Upgrade Fire Safety/Repair Morehead Youth Development Center</b>								
PRJ5231420									
Capital Construction Surplus				1,500,000	1,500,000				
<b>Project Total</b>				<b>1,500,000</b>	<b>1,500,000</b>				
<b>3</b>	<b>Upgrade Safety and Repair Exterior - Northern KY Youth Development Center</b>								
PRJ5231418									
Emergency Repair Maintenance and Replacement				1,700,000	1,700,000				
<b>Project Total</b>				<b>1,700,000</b>	<b>1,700,000</b>				
<b>TOTAL CAPITAL</b>				<b>3,650,000</b>	<b>3,650,000</b>		<b>450,000</b>	<b>450,000</b>	

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**I - Justice and Public Safety Cabinet****Operating Budget****State Police**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	85,369,400	85,369,400		88,810,300	69,645,800	(19,164,500)	93,609,600	80,305,900	(13,303,700)
Restricted Funds	12,636,200	12,636,200		15,050,100	16,713,900	1,663,800	11,723,400	13,543,600	1,820,200
Federal Funds	13,444,700	13,444,700		13,444,700	13,444,700		13,444,700	13,444,700	
Road Fund	29,769,100	29,769,100		35,000,000	50,000,000	15,000,000	35,000,000	50,000,000	15,000,000
<b>Regular Total Funds</b>	<b>141,219,400</b>	<b>141,219,400</b>		<b>152,305,100</b>	<b>149,804,400</b>	<b>(2,500,700)</b>	<b>153,777,700</b>	<b>157,294,200</b>	<b>3,516,500</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>141,219,400</b>	<b>141,219,400</b>		<b>152,305,100</b>	<b>149,804,400</b>	<b>(2,500,700)</b>	<b>153,777,700</b>	<b>157,294,200</b>	<b>3,516,500</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	104,369,800	104,369,800		117,410,800	113,910,100	(3,500,700)	118,931,800	121,448,300	2,516,500
Operating Expenses	26,887,200	26,887,200		24,930,300	25,930,300	1,000,000	24,918,700	25,918,700	1,000,000
Grants, Loans, Benefits	3,075,600	3,075,600		3,075,600	3,075,600		3,075,600	3,075,600	
Capital Outlay	6,886,800	6,886,800		6,888,400	6,888,400		6,851,600	6,851,600	
<b>TOTAL EXPENDITURES</b>	<b>141,219,400</b>	<b>141,219,400</b>		<b>152,305,100</b>	<b>149,804,400</b>	<b>(2,500,700)</b>	<b>153,777,700</b>	<b>157,294,200</b>	<b>3,516,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	84,068,200	84,068,200		82,297,500	65,105,700	(17,191,800)	87,165,400	69,895,200	(17,270,200)
Restricted Funds	12,636,200	12,636,200		10,339,100	12,530,900	2,191,800	7,012,400	9,282,600	2,270,200
Federal Funds	13,444,700	13,444,700		13,444,700	13,444,700		13,444,700	13,444,700	
Road Fund	29,769,100	29,769,100		35,000,000	50,000,000	15,000,000	35,000,000	50,000,000	15,000,000
<b>Regular Total Funds</b>	<b>139,918,200</b>	<b>139,918,200</b>		<b>141,081,300</b>	<b>141,081,300</b>		<b>142,622,500</b>	<b>142,622,500</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>139,918,200</b>	<b>139,918,200</b>		<b>141,081,300</b>	<b>141,081,300</b>		<b>142,622,500</b>	<b>142,622,500</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund	1,301,200	1,301,200		6,512,800	4,540,100	(1,972,700)	6,444,200	10,410,700	3,966,500
Restricted Funds				4,711,000	4,183,000	(528,000)	4,711,000	4,261,000	(450,000)
<b>TOTAL ADDITIONAL</b>	<b>1,301,200</b>	<b>1,301,200</b>		<b>11,223,800</b>	<b>8,723,100</b>	<b>(2,500,700)</b>	<b>11,155,200</b>	<b>14,671,700</b>	<b>3,516,500</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN State Police - Operations</b>									
ABR5200010 Provide funds to enable the payment of overtime.									
General Fund				4,250,000		(4,250,000)	4,250,000		(4,250,000)
<b>Project Total</b>				<b>4,250,000</b>		<b>(4,250,000)</b>	<b>4,250,000</b>		<b>(4,250,000)</b>

**I - Justice and Public Safety Cabinet****Operating Budget****State Police**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 NEW State Police - Operations</b>								
ABR5200012	Provide funds for the KSP to purchase liability insurance for fleet vehicles instead of requiring personnel to carry a rider on their personal auto policies.							
General Fund			600,000		(600,000)	600,000		(600,000)
<b>Project Total</b>			<b>600,000</b>		<b>(600,000)</b>	<b>600,000</b>		<b>(600,000)</b>
<b>3 CONT State Police - Operations</b>								
ABR5200014	Provide additional funds to purchase motor fuel due to increase in fuel costs and increase in miles driven							
General Fund	1,301,200	1,301,200	997,100	997,100		928,500	928,500	
<b>Project Total</b>	<b>1,301,200</b>	<b>1,301,200</b>	<b>997,100</b>	<b>997,100</b>		<b>928,500</b>	<b>928,500</b>	
<b>4 CONT State Police - Operations</b>								
ABR5200015	Provide funds for a \$3,100 annual training incentive payment for troopers, arson investigators, hazardous devices investigators & legislative specialists. GENERAL ASSEMBLY: Provide funding for the current number of recipients.							
Restricted Funds			4,711,000	4,183,000	(528,000)	4,711,000	4,261,000	(450,000)
<b>Project Total</b>			<b>4,711,000</b>	<b>4,183,000</b>	<b>(528,000)</b>	<b>4,711,000</b>	<b>4,261,000</b>	<b>(450,000)</b>
<b>5 NEW State Police - Operations</b>								
ABR5200016	Provide funds for a \$3,100 annual training incentive payment for dispatchers. GENERAL ASSEMBLY: Provide funding for the current number of recipients.							
General Fund			665,700	609,100	(56,600)	665,700	613,300	(52,400)
<b>Project Total</b>			<b>665,700</b>	<b>609,100</b>	<b>(56,600)</b>	<b>665,700</b>	<b>613,300</b>	<b>(52,400)</b>
<b>6 NEW State Police - Operations</b>								
ABR5200017	Provide funds for an annual salary increase of \$1,250 in FY 2006-07 and \$3,750 in FY 2007-08 for Troopers, Dispatchers, Arson Investigators, Hazardous Devices Specialists, Legislative Security Specialist, and Helicopter Pilot.							
General Fund				1,933,900	1,933,900		7,868,900	7,868,900
<b>Project Total</b>				<b>1,933,900</b>	<b>1,933,900</b>		<b>7,868,900</b>	<b>7,868,900</b>
<b>7 NEW State Police - Technical Services</b>								
ABR5200018	Provide funds for the upkeep and maintenance of the statewide mobile data infrastructure.							
General Fund				1,000,000	1,000,000		1,000,000	1,000,000
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>
<b>TOTAL ADDITIONAL</b>	<b>1,301,200</b>	<b>1,301,200</b>	<b>11,223,800</b>	<b>8,723,100</b>	<b>(2,500,700)</b>	<b>11,155,200</b>	<b>14,671,700</b>	<b>3,516,500</b>

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**State Police**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Call to Extraordinary Duty:** There is appropriated from the General Fund to the Department of State Police, subject to the conditions and procedures provided in this Act, funds which are required as a result of the Governor's call of the Kentucky State Police to extraordinary duty when an emergency situation has been declared to exist by the Governor. Funding is authorized to be provided from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705)."

**"State Police Authorized Strength:** The Kentucky State Police sworn officer authorized strength is 1,070."

**"State Police Personnel Training Incentive:** Included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend for state troopers, arson investigators, hazardous devices investigators, legislative security specialists, and dispatchers."

**"Restricted Funds Uses:** Notwithstanding KRS 42.320(2)(h), 160.151(1)(c), 189A.050(3)(a), 218A.435(7)(d), (11), and (12), and 237.110(15), funds are included in the above Restricted Funds appropriation to maintain the operations and administration of the Kentucky State Police."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to revise or add the following language provisions:

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**State Police**

**"State Police Personnel Training Incentive:** Included in the above Restricted Funds appropriation is sufficient funding for a \$3,100 annual training incentive stipend for state troopers, arson investigators, hazardous devices investigators, and legislative security specialists."

**"Restricted Funds Uses:** Notwithstanding KRS 42.320(2)(h), 189A.050(3)(a), and 237.110(15), funds are included in the above Restricted Funds appropriation to maintain the operations and administration of the Kentucky State Police."

**"Dispatcher Training Incentive:** Included in the above General Fund appropriation is sufficient funding for a \$3,100 annual training incentive stipend for dispatchers."

**"Statewide Mobile Data Infrastructure:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year for the upkeep and maintenance of the statewide mobile data infrastructure. The Justice and Public Safety Cabinet shall allow any local or state first responding agency to use the system provided it complies with all applicable state standards for the system's uses. The Justice and Public Safety Cabinet shall not charge any first responding agency for using the system, maintenance, or any other fee related to connections, infrastructure upkeep, or maintenance."

The General Assembly increases Road Fund support by \$15,000,000 in each year to off-set the reduction of General Fund support.

**I - Justice and Public Safety Cabinet****Capital Budget****State Police**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Investment Income				300,000	300,000		300,000	300,000	
<b>TOTAL CAPITAL</b>				<b>300,000</b>	<b>300,000</b>		<b>300,000</b>	<b>300,000</b>	
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Maintenance Pool</b>								
PRJ5201417									
Investment Income				300,000	300,000		300,000	300,000	
<b>Project Total</b>				<b>300,000</b>	<b>300,000</b>		<b>300,000</b>	<b>300,000</b>	
<b>TOTAL CAPITAL</b>				<b>300,000</b>	<b>300,000</b>		<b>300,000</b>	<b>300,000</b>	

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## FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## I - Justice and Public Safety Cabinet

## Operating Budget

## Corrections Summary

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	351,054,900	351,054,900		374,987,200	370,187,200	(4,800,000)	397,558,300	392,686,300	(4,872,000)
Restricted Funds	18,636,800	18,636,800		25,497,300	25,497,300		23,147,900	23,147,900	
Federal Funds	1,781,600	1,781,600		1,781,600	1,781,600		1,781,600	1,781,600	
<b>Regular Total Funds</b>	<b>371,473,300</b>	<b>371,473,300</b>		<b>402,266,100</b>	<b>397,466,100</b>	<b>(4,800,000)</b>	<b>422,487,800</b>	<b>417,615,800</b>	<b>(4,872,000)</b>
Use of Continuing	37,400	37,400							
<b>TOTAL FUNDS</b>	<b>371,510,700</b>	<b>371,510,700</b>		<b>402,266,100</b>	<b>397,466,100</b>	<b>(4,800,000)</b>	<b>422,487,800</b>	<b>417,615,800</b>	<b>(4,872,000)</b>

## II. EXPENDITURE CATEGORY

Personnel Costs	183,142,300	183,142,300		194,420,900	194,420,900		203,759,900	203,759,900	
Operating Expenses	37,202,800	37,202,800		40,415,100	40,415,100		40,720,600	40,720,600	
Grants, Loans, Benefits	151,019,800	151,019,800		167,284,300	162,484,300	(4,800,000)	177,707,500	172,907,500	(4,800,000)
Debt Service	83,800	83,800		83,800	83,800		237,800	165,800	(72,000)
Capital Outlay	62,000	62,000		62,000	62,000		62,000	62,000	
<b>TOTAL EXPENDITURES</b>	<b>371,510,700</b>	<b>371,510,700</b>		<b>402,266,100</b>	<b>397,466,100</b>	<b>(4,800,000)</b>	<b>422,487,800</b>	<b>417,615,800</b>	<b>(4,872,000)</b>

## III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	351,054,900	351,054,900		355,539,400	349,739,400	(5,800,000)	361,468,900	355,668,900	(5,800,000)
Restricted Funds	18,636,800	18,636,800		22,646,600	22,646,600		20,146,600	20,146,600	
Federal Funds	1,781,600	1,781,600		1,781,600	1,781,600		1,781,600	1,781,600	
<b>Regular Total Funds</b>	<b>371,473,300</b>	<b>371,473,300</b>		<b>379,967,600</b>	<b>374,167,600</b>	<b>(5,800,000)</b>	<b>383,397,100</b>	<b>377,597,100</b>	<b>(5,800,000)</b>
Use of Continuing	37,400	37,400							
<b>TOTAL BASE LEVEL</b>	<b>371,510,700</b>	<b>371,510,700</b>		<b>379,967,600</b>	<b>374,167,600</b>	<b>(5,800,000)</b>	<b>383,397,100</b>	<b>377,597,100</b>	<b>(5,800,000)</b>

## IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				19,447,800	20,447,800	1,000,000	36,089,400	37,017,400	928,000
Restricted Funds				2,850,700	2,850,700		3,001,300	3,001,300	
<b>TOTAL ADDITIONAL</b>				<b>22,298,500</b>	<b>23,298,500</b>	<b>1,000,000</b>	<b>39,090,700</b>	<b>40,018,700</b>	<b>928,000</b>

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## I - Justice and Public Safety Cabinet

## Capital Budget

## Corrections Summary

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				1,607,000	1,697,000	90,000			
Investment Income				1,850,000	1,850,000		600,000	600,000	
<b>TOTAL CAPITAL</b>				<b>3,457,000</b>	<b>3,547,000</b>	<b>90,000</b>	<b>600,000</b>	<b>600,000</b>	

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**I - Justice and Public Safety Cabinet****Operating Budget****Corrections Management**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	7,194,200	7,194,200		7,253,600	7,253,600		7,191,700	7,119,700	(72,000)
Restricted Funds	12,842,500	12,842,500		15,693,100	15,693,100		15,843,700	15,843,700	
<b>Regular Total Funds</b>	<b>20,036,700</b>	<b>20,036,700</b>		<b>22,946,700</b>	<b>22,946,700</b>		<b>23,035,400</b>	<b>22,963,400</b>	<b>(72,000)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>20,036,700</b>	<b>20,036,700</b>		<b>22,946,700</b>	<b>22,946,700</b>		<b>23,035,400</b>	<b>22,963,400</b>	<b>(72,000)</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	10,558,100	10,558,100		11,339,400	11,339,400		11,262,900	11,262,900	
Operating Expenses	8,416,600	8,416,600		10,545,300	10,545,300		10,556,500	10,556,500	
Grants, Loans, Benefits	1,000,000	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	
Debt Service							154,000	82,000	(72,000)
Capital Outlay	62,000	62,000		62,000	62,000		62,000	62,000	
<b>TOTAL EXPENDITURES</b>	<b>20,036,700</b>	<b>20,036,700</b>		<b>22,946,700</b>	<b>22,946,700</b>		<b>23,035,400</b>	<b>22,963,400</b>	<b>(72,000)</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	7,194,200	7,194,200		7,253,600	7,253,600		7,037,700	7,037,700	
Restricted Funds	12,842,500	12,842,500		12,842,400	12,842,400		12,842,400	12,842,400	
<b>Regular Total Funds</b>	<b>20,036,700</b>	<b>20,036,700</b>		<b>20,096,000</b>	<b>20,096,000</b>		<b>19,880,100</b>	<b>19,880,100</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>20,036,700</b>	<b>20,036,700</b>		<b>20,096,000</b>	<b>20,096,000</b>		<b>19,880,100</b>	<b>19,880,100</b>	

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund							154,000	82,000	(72,000)
Restricted Funds				2,850,700	2,850,700		3,001,300	3,001,300	
<b>TOTAL ADDITIONAL</b>				<b>2,850,700</b>	<b>2,850,700</b>		<b>3,155,300</b>	<b>3,083,300</b>	<b>(72,000)</b>

**V. ADDITIONAL BUDGET ITEMS****1 GB Corrections Management - Kentucky Correctional Industries**

ABR527A0001 Provide funds to support growth in commodities.

Restricted Funds				2,850,700	2,850,700		3,001,300	3,001,300	
<b>Project Total</b>				<b>2,850,700</b>	<b>2,850,700</b>		<b>3,001,300</b>	<b>3,001,300</b>	

**2 GB Corrections Management - Debt Service**

ABR527A0003 Provide full year debt service to support Bond Funds totaling \$1,607,000. GENERAL ASSEMBLY: Provide half year debt service to support Bond Funds totaling \$1,697,000.

General Fund							154,000	82,000	(72,000)
<b>Project Total</b>							<b>154,000</b>	<b>82,000</b>	<b>(72,000)</b>

**I - Justice and Public Safety Cabinet****Operating Budget****Corrections Management**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL ADDITIONAL</b>				<b>2,850,700</b>	<b>2,850,700</b>		<b>3,155,300</b>	<b>3,083,300</b>	<b>(72,000)</b>

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**Corrections Management**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Debt Service:** Included in the above General Fund appropriation is \$154,000 in fiscal year 2007-2008 to provide debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

**"Appropriations Adjustments:** The General Assembly has determined that the Department of Corrections shall be permitted to adjust appropriations between the Community Services and Local Facilities budget unit and the Adult Correctional Institutions budget unit in fiscal year 2006-2007 and fiscal year 2007-2008. Only adjustments necessary to manage the diverse mix of inmate classifications, custody levels, probation and parole caseloads, and population increases and/or decreases shall be permitted. Any appropriations transferred or otherwise directed between these appropriation units shall be documented and justified in writing. No adjustments may be made except upon the prior written concurrence of the State Budget Director. The State Budget Director shall report the adjustments and the necessity of the adjustments to the Interim Joint Committee on Appropriations and Revenue."

**"Jailer Mental Health Screening Training:** The Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses shall, in its annual review of the Commission plan, include in its duties recommendations for improvements in identifying, treating, housing, and transporting prisoners in jails and juveniles in detention centers with mental illness. Items to be reviewed shall include but not be limited to recommendations for statutory and regulatory changes, training and treatment funding, cost sharing, housing and transportation costs, appropriate treatment sites, and training requirements for local jailers and other officers of the court who may come in contact with persons incarcerated or in detention but deemed mentally ill.

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**Corrections Management**

The training shall continue to be delivered by Regional Mental Health/Mental Retardation Board staff to new jailers and new jail staff, except administrative support, on screening and responding to the needs of inmates with mental illness within six months of employment. Treatment services may also be provided for within this funding allocation."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following change:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to revise the following language provision:

**"Debt Service:** Included in the above General Fund appropriation is \$82,000 in fiscal year 2007-2008 to provide debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."



**I - Justice and Public Safety Cabinet****Operating Budget****Adult Correctional Institutions**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	226,167,500	226,167,500		238,000,900	232,200,900	(5,800,000)	244,990,200	239,190,200	(5,800,000)
Restricted Funds	5,448,300	5,448,300		5,435,200	5,435,200		5,435,200	5,435,200	
Federal Funds	1,706,600	1,706,600		1,706,600	1,706,600		1,706,600	1,706,600	
<b>Regular Total Funds</b>	<b>233,322,400</b>	<b>233,322,400</b>		<b>245,142,700</b>	<b>239,342,700</b>	<b>(5,800,000)</b>	<b>252,132,000</b>	<b>246,332,000</b>	<b>(5,800,000)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>233,322,400</b>	<b>233,322,400</b>		<b>245,142,700</b>	<b>239,342,700</b>	<b>(5,800,000)</b>	<b>252,132,000</b>	<b>246,332,000</b>	<b>(5,800,000)</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	147,587,700	147,587,700		154,845,200	154,845,200		160,982,300	160,982,300	
Operating Expenses	26,360,100	26,360,100		26,165,300	26,165,300		26,455,600	26,455,600	
Grants, Loans, Benefits	59,290,800	59,290,800		64,048,400	58,248,400	(5,800,000)	64,610,300	58,810,300	(5,800,000)
Debt Service	83,800	83,800		83,800	83,800		83,800	83,800	
<b>TOTAL EXPENDITURES</b>	<b>233,322,400</b>	<b>233,322,400</b>		<b>245,142,700</b>	<b>239,342,700</b>	<b>(5,800,000)</b>	<b>252,132,000</b>	<b>246,332,000</b>	<b>(5,800,000)</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	226,167,500	226,167,500		231,358,900	225,558,900	(5,800,000)	234,583,500	228,783,500	(5,800,000)
Restricted Funds	5,448,300	5,448,300		5,435,200	5,435,200		5,435,200	5,435,200	
Federal Funds	1,706,600	1,706,600		1,706,600	1,706,600		1,706,600	1,706,600	
<b>Regular Total Funds</b>	<b>233,322,400</b>	<b>233,322,400</b>		<b>238,500,700</b>	<b>232,700,700</b>	<b>(5,800,000)</b>	<b>241,725,300</b>	<b>235,925,300</b>	<b>(5,800,000)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>233,322,400</b>	<b>233,322,400</b>		<b>238,500,700</b>	<b>232,700,700</b>	<b>(5,800,000)</b>	<b>241,725,300</b>	<b>235,925,300</b>	<b>(5,800,000)</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				6,642,000	6,642,000		10,406,700	10,406,700	
<b>TOTAL ADDITIONAL</b>				<b>6,642,000</b>	<b>6,642,000</b>		<b>10,406,700</b>	<b>10,406,700</b>	

**V. ADDITIONAL BUDGET ITEMS****1 EXPAN Adult Correctional Institutions - Otter Creek Correctional Complex**

ABR527C0016 Provide funding for 56 additional beds at the Otter Creek Correctional Complex. Total beds funded are 456.

General Fund				1,000,000	1,000,000		1,000,000	1,000,000	
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>	

**2 GB Adult Correctional Institutions - Medical Program**

ABR527C0005 Provide funds for inflationary growth in the medical program.

General Fund				5,642,000	5,642,000		9,406,700	9,406,700	
<b>Project Total</b>				<b>5,642,000</b>	<b>5,642,000</b>		<b>9,406,700</b>	<b>9,406,700</b>	

**FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY****I - Justice and Public Safety Cabinet****Operating Budget****Adult Correctional Institutions**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL ADDITIONAL</b>				<b>6,642,000</b>	<b>6,642,000</b>		<b>10,406,700</b>	<b>10,406,700</b>	

**Fiscal Biennium 2006-2008  
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**Adult Correctional Institutions**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The Branch Budget transferred \$6,570,100 from the Community Services and Local Facilities appropriation unit to the Adult Correctional Institutions appropriation unit in the current fiscal year. The increased funding for Adult Correctional Institutions provided funds for the contract for beds at the Otter Creek Correctional Complex and for an increase in inmate medical costs.

The Department of Corrections initiated a new contract in August of 2005 to house 400 female inmates at the Otter Creek Correctional Complex. The current year funding level was provided by the transfer from Community Services and Local Facilities and reflects the phase-in for the Otter Creek facility. The Branch Budget provides a full year of funding for the initial 400 beds plus funding for an additional 56 beds at the Otter Creek Correctional Complex in fiscal year 2006-2007 and fiscal year 2007-2008.

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly transfers General Fund support totaling \$5.8 million to the Kentucky Community and Technical College System (KCTCS) to enable KCTCS to provide adult basic education classes for the Department of Corrections.

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to add the following language provision:

**"Education Programs at Department of Corrections Facilities:** The Kentucky Community and Technical College System (KCTCS) shall provide adult basic education classes for the Department of Corrections which are aimed toward acquiring a general educational diploma (GED) and various technical trades aimed toward providing students with certifications and/or diplomas upon completion of qualifying examinations."

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**I - Justice and Public Safety Cabinet****Capital Budget****Adult Correctional Institutions**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				1,607,000	1,697,000	90,000			
Investment Income				1,850,000	1,850,000		600,000	600,000	
<b>TOTAL CAPITAL</b>				<b>3,457,000</b>	<b>3,547,000</b>	<b>90,000</b>	<b>600,000</b>	<b>600,000</b>	
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Renovate Lonnie Watson Building - KCIW</b>								
PRJ527C1439									
Bond Funds				1,607,000	1,697,000	90,000			
<b>Project Total</b>				<b>1,607,000</b>	<b>1,697,000</b>	<b>90,000</b>			
<b>2</b>	<b>Maintenance Pool</b>								
PRJ527C1444									
Investment Income				1,850,000	1,850,000		600,000	600,000	
<b>Project Total</b>				<b>1,850,000</b>	<b>1,850,000</b>		<b>600,000</b>	<b>600,000</b>	
<b>TOTAL CAPITAL</b>				<b>3,457,000</b>	<b>3,547,000</b>	<b>90,000</b>	<b>600,000</b>	<b>600,000</b>	

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**I - Justice and Public Safety Cabinet****Operating Budget****Community Services and Local Facilities**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	101,457,100	101,457,100		113,496,600	114,496,600	1,000,000	129,140,300	130,140,300	1,000,000
Restricted Funds	346,000	346,000		4,369,000	4,369,000		1,869,000	1,869,000	
Federal Funds	75,000	75,000		75,000	75,000		75,000	75,000	
<b>Regular Total Funds</b>	<b>101,878,100</b>	<b>101,878,100</b>		<b>117,940,600</b>	<b>118,940,600</b>	<b>1,000,000</b>	<b>131,084,300</b>	<b>132,084,300</b>	<b>1,000,000</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>101,878,100</b>	<b>101,878,100</b>		<b>117,940,600</b>	<b>118,940,600</b>	<b>1,000,000</b>	<b>131,084,300</b>	<b>132,084,300</b>	<b>1,000,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	24,961,800	24,961,800		28,201,600	28,201,600		31,480,000	31,480,000	
Operating Expenses	2,426,100	2,426,100		3,704,500	3,704,500		3,708,500	3,708,500	
Grants, Loans, Benefits	74,490,200	74,490,200		86,034,500	87,034,500	1,000,000	95,895,800	96,895,800	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>101,878,100</b>	<b>101,878,100</b>		<b>117,940,600</b>	<b>118,940,600</b>	<b>1,000,000</b>	<b>131,084,300</b>	<b>132,084,300</b>	<b>1,000,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	101,457,100	101,457,100		100,690,800	100,690,800		103,611,600	103,611,600	
Restricted Funds	346,000	346,000		4,369,000	4,369,000		1,869,000	1,869,000	
Federal Funds	75,000	75,000		75,000	75,000		75,000	75,000	
<b>Regular Total Funds</b>	<b>101,878,100</b>	<b>101,878,100</b>		<b>105,134,800</b>	<b>105,134,800</b>		<b>105,555,600</b>	<b>105,555,600</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>101,878,100</b>	<b>101,878,100</b>		<b>105,134,800</b>	<b>105,134,800</b>		<b>105,555,600</b>	<b>105,555,600</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				12,805,800	13,805,800	1,000,000	25,528,700	26,528,700	1,000,000
<b>TOTAL ADDITIONAL</b>				<b>12,805,800</b>	<b>13,805,800</b>	<b>1,000,000</b>	<b>25,528,700</b>	<b>26,528,700</b>	<b>1,000,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN Community Services and Local Facilities - Corrections Commission Program</b>									
ABR527B0004 Provide additional funding for alternatives to incarceration programs.									
General Fund				600,000	600,000		600,000	600,000	
<b>Project Total</b>				<b>600,000</b>	<b>600,000</b>		<b>600,000</b>	<b>600,000</b>	
<b>2 EXPAN Community Services and Local Facilities - Probation and Parole</b>									
ABR527B0006 Provide funds to hold 263 inmates in FY 2006-07 and 300 inmates in FY 2007-08 on home incarceration.									
General Fund				960,000	960,000		1,095,000	1,095,000	
<b>Project Total</b>				<b>960,000</b>	<b>960,000</b>		<b>1,095,000</b>	<b>1,095,000</b>	

**I - Justice and Public Safety Cabinet****Operating Budget****Community Services and Local Facilities**

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
3	GB	Community Services and Local Facilities - Probation and Parole									
ABR527B0012			Provide funds for a total of 109 probation and parole officers to reduce caseloads to 96:1.								
General Fund						1,838,800	1,838,800		4,700,400	4,700,400	
Project Total						1,838,800	1,838,800		4,700,400	4,700,400	
4	GB	Community Services and Local Facilities - Halfway House									
ABR527B0007			Provide funds for 347 Halfway House beds in FY 2006-07 and 622 beds in FY 2007-08.								
General Fund						3,749,000	3,749,000		6,720,100	6,720,100	
Project Total						3,749,000	3,749,000		6,720,100	6,720,100	
5	GB	Community Services and Local Facilities - Local Facilities									
ABR527B0008			Provide funds for local jail per diem required for the estimated increase in jail inmates of 388 in FY 2006-07 and 438 in FY 2007-08.								
General Fund						5,658,000	5,658,000		11,166,400	11,166,400	
Project Total						5,658,000	5,658,000		11,166,400	11,166,400	
6	NEW	Community Services and Local Facilities - Local Facilities									
ABR527B0009			Provide funds to support approximately 122 beds at Recovery Kentucky Centers.								
General Fund									1,246,800	1,246,800	
Project Total									1,246,800	1,246,800	
7	EXPAN	Community Services and Local Facilities - Jail Program									
ABR527B0013			Provide funds to increase the local jail per diem.								
General Fund							1,000,000	1,000,000		1,000,000	1,000,000
Project Total							1,000,000	1,000,000		1,000,000	1,000,000
TOTAL ADDITIONAL						12,805,800	13,805,800	1,000,000	25,528,700	26,528,700	1,000,000

**TRANSFERS TO THE GENERAL FUND****Community Services and Local Facilities**

Agency Revenue Fund	80,100	80,100
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<b>TOTAL</b>	<b>80,100</b>	<b>80,100</b>
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**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Community Services and Local Facilities**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Community Services and Local Facilities, Restricted Funds of \$80,100 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Excess Local Jail Per Diem Costs:** In the event that actual local jail per diem payments exceed the amounts provided to support the budgeted average daily population of state felons in county jails for fiscal year 2006-2007 and fiscal year 2007-2008, the payments shall be deemed necessary government expenses and may be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to necessity and amount by the State Budget Director who shall report any certified expenditure to the Interim Joint Committee on Appropriations and Revenue."

**"Local Jails Funding:** Notwithstanding KRS 441.605 to 441.695, funds in the amount of \$4,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 shall be expended from the Kentucky Local Correctional Facilities Construction Authority for local correctional facility and operational support consistent with contractual covenants in accordance with bond indentures of the Authority."

The Branch Budget reduces the General Fund base budget in fiscal year 2005-2006 by \$6,570,100. The Branch Budget provides funding in fiscal year 2006-2007 for 1,040 halfway house beds and 263 electronic monitoring slots; and in fiscal year 2007-2008 for 1,315 halfway house beds, 300 electronic monitoring slots, and 122 Recovery Kentucky beds. The Branch Budget Document also estimates that there will be 6,348 inmates in fiscal year 2006-2007 and 6,786 inmates in fiscal year 2007-2008 that will be housed in local jails.

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Community Services and Local Facilities**

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

**"Local Jail Per Diem Increase:** Included in the above General Fund appropriation is \$1,000,000 in each fiscal year to provide an increase of the per diem rate paid to counties for housing state inmates."

**"Intensive Secured Substance Abuse Recovery Program** - Funds provided for local jail per diem payments and for halfway house payments may also be used for the establishment and operation of an intensive secured substance abuse recovery program for substance abusers who have been charged with a felony offense. In the event that actual local jail per diem payments or the halfway house payments exceed the amounts provided to support the budgeted average daily population of state felons in county jails or in halfway houses for fiscal year 2006-2007 and fiscal year 2007-2008, the payments shall be deemed necessary government expenses and may be paid from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705), subject to notification as to necessity and amount by the State Budget Director who shall report any certified expenditure to the Interim Joint Committee on Appropriations and Revenue."

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## I - Justice and Public Safety Cabinet

## Operating Budget

### Local Jail Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	16,236,100	16,236,100		16,236,100	16,236,100		16,236,100	16,236,100	
<b>Regular Total Funds</b>	<b>16,236,100</b>	<b>16,236,100</b>		<b>16,236,100</b>	<b>16,236,100</b>		<b>16,236,100</b>	<b>16,236,100</b>	
Use of Continuing	37,400	37,400							
<b>TOTAL FUNDS</b>	<b>16,273,500</b>	<b>16,273,500</b>		<b>16,236,100</b>	<b>16,236,100</b>		<b>16,236,100</b>	<b>16,236,100</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	34,700	34,700		34,700	34,700		34,700	34,700	
Grants, Loans, Benefits	16,238,800	16,238,800		16,201,400	16,201,400		16,201,400	16,201,400	
<b>TOTAL EXPENDITURES</b>	<b>16,273,500</b>	<b>16,273,500</b>		<b>16,236,100</b>	<b>16,236,100</b>		<b>16,236,100</b>	<b>16,236,100</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	16,236,100	16,236,100		16,236,100	16,236,100		16,236,100	16,236,100	
<b>Regular Total Funds</b>	<b>16,236,100</b>	<b>16,236,100</b>		<b>16,236,100</b>	<b>16,236,100</b>		<b>16,236,100</b>	<b>16,236,100</b>	
Use of Continuing	37,400	37,400							
<b>TOTAL BASE LEVEL</b>	<b>16,273,500</b>	<b>16,273,500</b>		<b>16,236,100</b>	<b>16,236,100</b>		<b>16,236,100</b>	<b>16,236,100</b>	

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Local Jail Support**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Inmate Medical Care Expenses:** Included in the above General Fund appropriation is \$931,100 in fiscal year 2006-2007 and \$931,100 in fiscal year 2007-2008 for medical care contracts to be distributed, upon approval of the Department of Corrections, to counties by the formula codified in KRS 441.206, and \$295,900 in fiscal year 2006-2007 and \$295,900 in fiscal year 2007-2008, on a partial reimbursement basis, for medical claims in excess of the statutory threshold pursuant to KRS 441.045. The funding support for medical contracts and catastrophic medical expenses for indigents shall be maintained in discrete accounts. Any medical claim which exceeds the statutory threshold may be reimbursed for that amount in excess of the statutory threshold. In no event shall this apply to expenses of an elective, as opposed to emergency, basis and expenses shall be paid according to the Kentucky Medical Assistance Schedule."

**"Local Jail Support:** Included in the above General Fund appropriation is \$960,000 in each year of the biennium to provide a monthly payment of an annual amount of \$20,000 to each county with a life safety jail or a closed jail. The payment shall be in addition to the monthly payment required by KRS 441.206(2)."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch.

**I - Justice and Public Safety Cabinet****Operating Budget****Vehicle Enforcement**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	723,500	723,500		723,500	1,666,300	942,800	723,500	1,043,500	320,000
Federal Funds	6,868,200	6,868,200		5,162,400	5,162,400		5,162,200	5,162,200	
Road Fund	12,999,000	12,999,000		13,974,900	13,974,900		13,881,500	13,881,500	
<b>Regular Total Funds</b>	<b>20,590,700</b>	<b>20,590,700</b>		<b>19,860,800</b>	<b>20,803,600</b>	<b>942,800</b>	<b>19,767,200</b>	<b>20,087,200</b>	<b>320,000</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>20,590,700</b>	<b>20,590,700</b>		<b>19,860,800</b>	<b>20,803,600</b>	<b>942,800</b>	<b>19,767,200</b>	<b>20,087,200</b>	<b>320,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	13,577,400	13,577,400		13,127,900	14,070,700	942,800	13,248,300	13,568,300	320,000
Operating Expenses	4,763,300	4,763,300		4,852,200	4,852,200		4,332,200	4,332,200	
Grants, Loans, Benefits	883,500	883,500		577,500	577,500		883,500	883,500	
Capital Outlay	1,366,500	1,366,500		1,303,200	1,303,200		1,303,200	1,303,200	
<b>TOTAL EXPENDITURES</b>	<b>20,590,700</b>	<b>20,590,700</b>		<b>19,860,800</b>	<b>20,803,600</b>	<b>942,800</b>	<b>19,767,200</b>	<b>20,087,200</b>	<b>320,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	723,500	723,500		80,700	1,074,100	993,400	80,700	440,800	360,100
Federal Funds	6,868,200	6,868,200		5,162,400	5,162,400		5,162,200	5,162,200	
Road Fund	12,999,000	12,999,000		13,974,900	13,974,900		13,881,500	13,881,500	
<b>Regular Total Funds</b>	<b>20,590,700</b>	<b>20,590,700</b>		<b>19,218,000</b>	<b>20,211,400</b>	<b>993,400</b>	<b>19,124,400</b>	<b>19,484,500</b>	<b>360,100</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>20,590,700</b>	<b>20,590,700</b>		<b>19,218,000</b>	<b>20,211,400</b>	<b>993,400</b>	<b>19,124,400</b>	<b>19,484,500</b>	<b>360,100</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				642,800	592,200	(50,600)	642,800	602,700	(40,100)
<b>TOTAL ADDITIONAL</b>				<b>642,800</b>	<b>592,200</b>	<b>(50,600)</b>	<b>642,800</b>	<b>602,700</b>	<b>(40,100)</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 CONT Vehicle Enforcement</b>									
ABR5020007 Provide funds from KLEFPF for a \$3,100 annual training stipend for vehicle enforcement officers.									
Restricted Funds				642,800	592,200	(50,600)	642,800	602,700	(40,100)
<b>Project Total</b>				<b>642,800</b>	<b>592,200</b>	<b>(50,600)</b>	<b>642,800</b>	<b>602,700</b>	<b>(40,100)</b>
<b>TOTAL ADDITIONAL</b>				<b>642,800</b>	<b>592,200</b>	<b>(50,600)</b>	<b>642,800</b>	<b>602,700</b>	<b>(40,100)</b>

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Vehicle Enforcement**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Vehicle Enforcement Officers' Training Incentive:** Included in the above Restricted Funds appropriation is sufficient funding to provide a \$3,100 annual training incentive stipend for vehicle enforcement officers."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch.

**I - Justice and Public Safety Cabinet****Operating Budget****Public Advocacy**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	25,923,800	25,923,800		29,770,700	29,770,700		31,886,400	31,886,400	
Restricted Funds	6,361,800	6,361,800		6,815,500	6,815,500		4,455,800	4,455,800	
Federal Funds	1,769,700	1,769,700		1,618,300	1,618,300		1,663,100	1,663,100	
<b>Regular Total Funds</b>	<b>34,055,300</b>	<b>34,055,300</b>		<b>38,204,500</b>	<b>38,204,500</b>		<b>38,005,300</b>	<b>38,005,300</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>34,055,300</b>	<b>34,055,300</b>		<b>38,204,500</b>	<b>38,204,500</b>		<b>38,005,300</b>	<b>38,005,300</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	23,478,400	23,478,400		28,454,300	28,454,300		28,430,500	28,430,500	
Operating Expenses	3,321,100	3,321,100		3,702,100	3,702,100		3,702,100	3,702,100	
Grants, Loans, Benefits	7,225,800	7,225,800		6,048,100	6,048,100		5,872,700	5,872,700	
Capital Outlay	30,000	30,000							
<b>TOTAL EXPENDITURES</b>	<b>34,055,300</b>	<b>34,055,300</b>		<b>38,204,500</b>	<b>38,204,500</b>		<b>38,005,300</b>	<b>38,005,300</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	25,923,800	25,923,800		26,770,700	26,770,700		28,686,400	28,686,400	
Restricted Funds	6,361,800	6,361,800		6,815,500	6,815,500		4,455,800	4,455,800	
Federal Funds	1,769,700	1,769,700		1,618,300	1,618,300		1,663,100	1,663,100	
<b>Regular Total Funds</b>	<b>34,055,300</b>	<b>34,055,300</b>		<b>35,204,500</b>	<b>35,204,500</b>		<b>34,805,300</b>	<b>34,805,300</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>34,055,300</b>	<b>34,055,300</b>		<b>35,204,500</b>	<b>35,204,500</b>		<b>34,805,300</b>	<b>34,805,300</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				3,000,000	3,000,000		3,200,000	3,200,000	
<b>TOTAL ADDITIONAL</b>				<b>3,000,000</b>	<b>3,000,000</b>		<b>3,200,000</b>	<b>3,200,000</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Public Advocacy - Trial Services</b>									
ABR5150005	Provide funds for 36 attorneys in FY 2006-07 and 38 attorneys in FY 2007-08 to bring caseloads down to 413:1 by the end of the Biennium.								
General Fund				2,160,000	2,160,000		2,280,000	2,280,000	
<b>Project Total</b>				<b>2,160,000</b>	<b>2,160,000</b>		<b>2,280,000</b>	<b>2,280,000</b>	
<b>2 GB Public Advocacy - Trial Services</b>									
ABR5150006	Provide funds for 14 administrative positions in FY 2006-07 and 15 in FY 2007-08.								
General Fund				575,000	575,000		610,000	610,000	
<b>Project Total</b>				<b>575,000</b>	<b>575,000</b>		<b>610,000</b>	<b>610,000</b>	

**I - Justice and Public Safety Cabinet****Operating Budget****Public Advocacy**

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
3	EXPAN	Public Advocacy - Trial Services									
ABR5150008		Provide funds for 3 Social Worker I positions in FY 2006-07 and 4 positions in FY 2007-08 to help with juvenile cases, drug cases, & preparation of alternative sentencing recommendations.									
General Fund						165,000	165,000		210,000	210,000	
Project Total						165,000	165,000		210,000	210,000	
4	GB	Public Advocacy - Trial Services									
ABR5150009		Increase baseline funding for contracts with attorneys who handle conflict cases. Baseline funding totals \$1.2 million.									
General Fund						100,000	100,000		100,000	100,000	
Project Total						100,000	100,000		100,000	100,000	
TOTAL ADDITIONAL						3,000,000	3,000,000		3,200,000	3,200,000	

**TRANSFERS TO THE GENERAL FUND****Public Advocacy**

Agency Revenue Fund (KRS 31.211(8) and 189A.050(3)(f))	162,700	162,700
<b>TOTAL</b>	<b>162,700</b>	<b>162,700</b>



**Fiscal Biennium 2006-2008  
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**Public Advocacy**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Public Advocacy, Restricted Funds of \$162,700 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Compensatory Leave Conversion to Sick Leave:** If the Department of Public Advocacy determines that internal budgetary pressures warrant further austerity measures, the Public Advocate may institute a policy to suspend payment of 50 hour blocks of compensatory time for those attorneys who have accumulated 240 hours of compensatory time and instead to convert those hours to sick leave."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch.

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**I - Justice and Public Safety Cabinet****Capital Budget****Public Advocacy**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

**I. CAPITAL PROJECT RECAP BY FUND SOURCE**

General Fund

**TOTAL CAPITAL****II. CAPITAL PROJECTS****1** Franklin County - Lease

PRJ5150001

General Fund

**Project Total****TOTAL CAPITAL**

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## **Personnel**

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## Personnel

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# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## PERSONNEL OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
General Operations	19,579,600	19,579,600		21,749,200	21,375,500	(373,700)	22,094,600	21,717,400	(377,200)
Public Employees Deferred Compensation Authority	5,648,600	5,648,600		6,009,200	6,009,200		6,172,400	6,172,400	
Workers Compensation Benefits and Reserve	21,862,200	21,862,200		24,798,500	24,798,500		26,204,400	26,204,400	
State Salary Compensation Fund				8,000,000	8,000,000		24,000,000	24,000,000	
State Group Health Insurance Fund	5,130,600	5,130,600		4,350,000	2,476,000	(1,874,000)	4,350,000	2,476,000	(1,874,000)
<b>Regular Appropriation</b>	<b>52,221,000</b>	<b>52,221,000</b>		<b>64,906,900</b>	<b>62,659,200</b>	<b>(2,247,700)</b>	<b>82,821,400</b>	<b>80,570,200</b>	<b>(2,251,200)</b>

**FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY****PERSONNEL OPERATING BUDGET**

	<b>Fiscal Year 2005-2006</b>			<b>Fiscal Year 2006-2007</b>			<b>Fiscal Year 2007-2008</b>		
	<b>Branch Budget</b>	<b>General Assembly</b>	<b>Difference</b>	<b>Branch Budget</b>	<b>General Assembly</b>	<b>Difference</b>	<b>Branch Budget</b>	<b>General Assembly</b>	<b>Difference</b>
<b>GENERAL FUND</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
General Operations	3,354,800	3,354,800		2,429,300	1,805,600	(623,700)	1,309,400	932,200	(377,200)
State Salary Compensation Fund				8,000,000	8,000,000		24,000,000	24,000,000	
State Group Health Insurance Fund	5,130,600	5,130,600		4,350,000	2,476,000	(1,874,000)	4,350,000	2,476,000	(1,874,000)
<b>Regular Appropriation</b>	<b>8,485,400</b>	<b>8,485,400</b>		<b>14,779,300</b>	<b>12,281,600</b>	<b>(2,497,700)</b>	<b>29,659,400</b>	<b>27,408,200</b>	<b>(2,251,200)</b>

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## PERSONNEL OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>RESTRICTED FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
General Operations	16,224,800	16,224,800		19,319,900	19,569,900	250,000	20,785,200	20,785,200	
Public Employees Deferred Compensation Authority	5,648,600	5,648,600		6,009,200	6,009,200		6,172,400	6,172,400	
Workers Compensation Benefits and Reserve	21,862,200	21,862,200		24,798,500	24,798,500		26,204,400	26,204,400	
<b>Regular Appropriation</b>	<b>43,735,600</b>	<b>43,735,600</b>		<b>50,127,600</b>	<b>50,377,600</b>	<b>250,000</b>	<b>53,162,000</b>	<b>53,162,000</b>	

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**J - Personnel****Operating Budget****Summary Totals**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	8,485,400	8,485,400		14,779,300	12,281,600	(2,497,700)	29,659,400	27,408,200	(2,251,200)
Restricted Funds	43,735,600	43,735,600		50,127,600	50,377,600	250,000	53,162,000	53,162,000	
<b>Regular Total Funds</b>	<b>52,221,000</b>	<b>52,221,000</b>		<b>64,906,900</b>	<b>62,659,200</b>	<b>(2,247,700)</b>	<b>82,821,400</b>	<b>80,570,200</b>	<b>(2,251,200)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>52,221,000</b>	<b>52,221,000</b>		<b>64,906,900</b>	<b>62,659,200</b>	<b>(2,247,700)</b>	<b>82,821,400</b>	<b>80,570,200</b>	<b>(2,251,200)</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	45,051,800	45,051,800		57,085,400	54,837,700	(2,247,700)	74,872,400	72,621,200	(2,251,200)
Operating Expenses	7,044,900	7,044,900		7,683,500	7,683,500		7,859,100	7,859,100	
Capital Outlay	124,300	124,300		138,000	138,000		89,900	89,900	
<b>TOTAL EXPENDITURES</b>	<b>52,221,000</b>	<b>52,221,000</b>		<b>64,906,900</b>	<b>62,659,200</b>	<b>(2,247,700)</b>	<b>82,821,400</b>	<b>80,570,200</b>	<b>(2,251,200)</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund	8,485,400	8,485,400		6,155,600	3,981,600	(2,174,000)	5,282,200	3,108,200	(2,174,000)
Restricted Funds	43,735,600	43,735,600		48,361,900	48,361,900		51,313,500	51,313,500	
<b>Regular Total Funds</b>	<b>52,221,000</b>	<b>52,221,000</b>		<b>54,517,500</b>	<b>52,343,500</b>	<b>(2,174,000)</b>	<b>56,595,700</b>	<b>54,421,700</b>	<b>(2,174,000)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>52,221,000</b>	<b>52,221,000</b>		<b>54,517,500</b>	<b>52,343,500</b>	<b>(2,174,000)</b>	<b>56,595,700</b>	<b>54,421,700</b>	<b>(2,174,000)</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				8,623,700	8,300,000	(323,700)	24,377,200	24,300,000	(77,200)
Restricted Funds				1,765,700	2,015,700	250,000	1,848,500	1,848,500	
<b>TOTAL ADDITIONAL</b>				<b>10,389,400</b>	<b>10,315,700</b>	<b>(73,700)</b>	<b>26,225,700</b>	<b>26,148,500</b>	<b>(77,200)</b>

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**J - Personnel****Operating Budget****General Operations**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	3,354,800	3,354,800		2,429,300	1,805,600	(623,700)	1,309,400	932,200	(377,200)
Restricted Funds	16,224,800	16,224,800		19,319,900	19,569,900	250,000	20,785,200	20,785,200	
<b>Regular Total Funds</b>	<b>19,579,600</b>	<b>19,579,600</b>		<b>21,749,200</b>	<b>21,375,500</b>	<b>(373,700)</b>	<b>22,094,600</b>	<b>21,717,400</b>	<b>(377,200)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>19,579,600</b>	<b>19,579,600</b>		<b>21,749,200</b>	<b>21,375,500</b>	<b>(373,700)</b>	<b>22,094,600</b>	<b>21,717,400</b>	<b>(377,200)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	13,923,900	13,923,900		15,511,100	15,137,400	(373,700)	15,728,300	15,351,100	(377,200)
Operating Expenses	5,550,800	5,550,800		6,144,800	6,144,800		6,290,000	6,290,000	
Capital Outlay	104,900	104,900		93,300	93,300		76,300	76,300	
<b>TOTAL EXPENDITURES</b>	<b>19,579,600</b>	<b>19,579,600</b>		<b>21,749,200</b>	<b>21,375,500</b>	<b>(373,700)</b>	<b>22,094,600</b>	<b>21,717,400</b>	<b>(377,200)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	3,354,800	3,354,800		1,805,600	1,805,600		932,200	932,200	
Restricted Funds	16,224,800	16,224,800		17,873,600	17,873,600		19,270,800	19,270,800	
<b>Regular Total Funds</b>	<b>19,579,600</b>	<b>19,579,600</b>		<b>19,679,200</b>	<b>19,679,200</b>		<b>20,203,000</b>	<b>20,203,000</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>19,579,600</b>	<b>19,579,600</b>		<b>19,679,200</b>	<b>19,679,200</b>		<b>20,203,000</b>	<b>20,203,000</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				623,700		(623,700)	377,200		(377,200)
Restricted Funds				1,446,300	1,696,300	250,000	1,514,400	1,514,400	
<b>TOTAL ADDITIONAL</b>				<b>2,070,000</b>	<b>1,696,300</b>	<b>(373,700)</b>	<b>1,891,600</b>	<b>1,514,400</b>	<b>(377,200)</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1</b>	<b>EXPAN General Operations - HRIS</b>								
ABRC47A0009	Provide Restricted Funds to support 4 new positions and operating cost for implementation of a new system.								
Restricted Funds				162,600	162,600		204,100	204,100	
<b>Project Total</b>				<b>162,600</b>	<b>162,600</b>		<b>204,100</b>	<b>204,100</b>	
<b>2</b>	<b>NEW General Operations - Workforce Planning</b>								
ABRC47A0008	Provide Restricted Funds to support 1 new position in a newly created Division responsible for planning for the large number of retirees in the coming years.								
Restricted Funds				120,000	120,000		125,000	125,000	
<b>Project Total</b>				<b>120,000</b>	<b>120,000</b>		<b>125,000</b>	<b>125,000</b>	

**J - Personnel****Operating Budget****General Operations**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>3 EXPAN General Operations - Employee Insurance</b>								
ABRC47HI0002 Provide Restricted Funds to support 7 new positions required for the State Health Insurance Group.								
Restricted Funds			242,400	242,400		245,100	245,100	
<b>Project Total</b>			<b>242,400</b>	<b>242,400</b>		<b>245,100</b>	<b>245,100</b>	
<b>4 NEW General Operations - EEO Disparity Study</b>								
ABRC47A0006 Restricted Funds provided to support study.								
General Fund			250,000		(250,000)			
Restricted Funds				250,000	250,000			
<b>Project Total</b>			<b>250,000</b>	<b>250,000</b>				
<b>5 EXPAN General Operations - Employee Services</b>								
ABRC47A0002 Provide Restricted Funds to support 2 new positions in the Mediation unit.								
Restricted Funds			127,500	127,500		130,400	130,400	
<b>Project Total</b>			<b>127,500</b>	<b>127,500</b>		<b>130,400</b>	<b>130,400</b>	
<b>6 GB General Operations - Personnel Administration</b>								
ABRC47A0003 Provide funds to support 9 additional positions in General Administration.								
Restricted Funds			440,000	440,000		448,000	448,000	
<b>Project Total</b>			<b>440,000</b>	<b>440,000</b>		<b>448,000</b>	<b>448,000</b>	
<b>7 GB General Operations - Health Insurance Administration</b>								
ABRC47HI0001 Provide Restricted Funds to support 7 additional positions and operating cost as a result of the Self Insurance program.								
Restricted Funds			353,800	353,800		361,800	361,800	
<b>Project Total</b>			<b>353,800</b>	<b>353,800</b>		<b>361,800</b>	<b>361,800</b>	
<b>8 NEW General Operations - Office of HR Planning &amp; Diversity</b>								
ABRC47A0001 Funding not provided.								
General Fund			373,700		(373,700)	377,200		(377,200)
<b>Project Total</b>			<b>373,700</b>		<b>(373,700)</b>	<b>377,200</b>		<b>(377,200)</b>
<b>TOTAL ADDITIONAL</b>			<b>2,070,000</b>	<b>1,696,300</b>	<b>(373,700)</b>	<b>1,891,600</b>	<b>1,514,400</b>	<b>(377,200)</b>

**TRANSFERS TO THE GENERAL FUND****General Operations**



# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

**J - Personnel****Operating Budget****General Operations**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TRANSFERS TO THE GENERAL FUND</b>									
Flexible Spending Account (KRS 18A.225(2)(g))	323,000	323,000		1,000,000	1,000,000		1,000,000	1,000,000	
Other Special Revenue Fund	333,300	333,300							
Agency Revenue Fund (KRS 18A.225(2)(g))	922,500	922,500							
<b>TOTAL</b>	<b>1,578,800</b>	<b>1,578,800</b>		<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>	

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**General Operations**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer includes a transfer from Personnel General Operations, Flexible Spending Account, Restricted Funds of \$323,000 in fiscal year 2005-2006, \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008; from General Operations, Other Special Revenue Fund, Restricted Funds in the amount of \$333,000 in fiscal year 2005-2006; and from General Operations, Agency Revenue Fund, Restricted Funds in the amount of \$922,500 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Flexible Benefit Account:** Notwithstanding KRS 18A.225(2)(g), any funds from the calendar year 2005 and calendar year 2006 public employee health insurance program accruing to the Flexible Benefit Account, not otherwise appropriated in fiscal year 2006-2007 and in fiscal year 2007-2008, and in excess of the amount reflected in Part V, Funds Transfer, of this Act shall be credited to the General Fund Surplus Account."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

**"Public Employees Self-Insured Health Insurance Premiums:** Beginning with the employer premium due for coverage effective July 1, 2006, under the Public Employees Self-Insured Health Insurance Program, the employer rate shall be reduced by 12 percent for the balance of Plan Year 2006. For Plan Year 2007, the increase in employer and employee premiums for coverage under the Public

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**General Operations**

Employees Self-Insured Health Insurance Program shall not exceed 10.4 percent for the Essential Plan and 9 percent for the Enhanced and Premier Plan over the Plan Year 2006 rates as adjusted by this Act."

The General Assembly provides Restricted Funds in the amount of \$250,000 in fiscal year 2006-2007 to replace General Fund for the EEO Disparity Study.

The General Assembly does not provide General Fund for the Office of HR Planning and Diversity.

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J - Personnel

Capital Budget

General Operations

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

I. CAPITAL PROJECT RECAP BY FUND SOURCE

General Fund

TOTAL CAPITAL

II. CAPITAL PROJECTS

1 Personnel - 200 Fair Oaks Lease

PRJC47A2506

General Fund

Project Total

TOTAL CAPITAL

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**J - Personnel****Operating Budget****Public Employees Deferred Compensation Authority**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	5,648,600	5,648,600		6,009,200	6,009,200		6,172,400	6,172,400	
<b>Regular Total Funds</b>	<b>5,648,600</b>	<b>5,648,600</b>		<b>6,009,200</b>	<b>6,009,200</b>		<b>6,172,400</b>	<b>6,172,400</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>5,648,600</b>	<b>5,648,600</b>		<b>6,009,200</b>	<b>6,009,200</b>		<b>6,172,400</b>	<b>6,172,400</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	5,314,900	5,314,900		5,628,900	5,628,900		5,815,400	5,815,400	
Operating Expenses	320,800	320,800		341,100	341,100		347,900	347,900	
Capital Outlay	12,900	12,900		39,200	39,200		9,100	9,100	
<b>TOTAL EXPENDITURES</b>	<b>5,648,600</b>	<b>5,648,600</b>		<b>6,009,200</b>	<b>6,009,200</b>		<b>6,172,400</b>	<b>6,172,400</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	5,648,600	5,648,600		5,749,800	5,749,800		5,901,300	5,901,300	
<b>Regular Total Funds</b>	<b>5,648,600</b>	<b>5,648,600</b>		<b>5,749,800</b>	<b>5,749,800</b>		<b>5,901,300</b>	<b>5,901,300</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>5,648,600</b>	<b>5,648,600</b>		<b>5,749,800</b>	<b>5,749,800</b>		<b>5,901,300</b>	<b>5,901,300</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				259,400	259,400		271,100	271,100	
<b>TOTAL ADDITIONAL</b>				<b>259,400</b>	<b>259,400</b>		<b>271,100</b>	<b>271,100</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN Public Employees Deferred Compensation Authority - Staff</b>									
ABRC47B0002 Provide Restricted Funds to support 2 staff positions recently filled.									
Restricted Funds				62,200	62,200		64,200	64,200	
<b>Project Total</b>				<b>62,200</b>	<b>62,200</b>		<b>64,200</b>	<b>64,200</b>	
<b>2 EXPAN Public Employees Deferred Compensation Authority - Staff</b>									
ABRC47B0001 Provide Restricted Funds to support 5 new staff positions for the Authority.									
Restricted Funds				197,200	197,200		206,900	206,900	
<b>Project Total</b>				<b>197,200</b>	<b>197,200</b>		<b>206,900</b>	<b>206,900</b>	
<b>TOTAL ADDITIONAL</b>				<b>259,400</b>	<b>259,400</b>		<b>271,100</b>	<b>271,100</b>	

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**Public Employees Deferred Compensation Authority**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch.



**J - Personnel****Operating Budget****Workers Compensation Benefits and Reserve**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	21,862,200	21,862,200		24,798,500	24,798,500		26,204,400	26,204,400	
<b>Regular Total Funds</b>	<b>21,862,200</b>	<b>21,862,200</b>		<b>24,798,500</b>	<b>24,798,500</b>		<b>26,204,400</b>	<b>26,204,400</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>21,862,200</b>	<b>21,862,200</b>		<b>24,798,500</b>	<b>24,798,500</b>		<b>26,204,400</b>	<b>26,204,400</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	20,682,400	20,682,400		23,595,400	23,595,400		24,978,700	24,978,700	
Operating Expenses	1,173,300	1,173,300		1,197,600	1,197,600		1,221,200	1,221,200	
Capital Outlay	6,500	6,500		5,500	5,500		4,500	4,500	
<b>TOTAL EXPENDITURES</b>	<b>21,862,200</b>	<b>21,862,200</b>		<b>24,798,500</b>	<b>24,798,500</b>		<b>26,204,400</b>	<b>26,204,400</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	21,862,200	21,862,200		24,738,500	24,738,500		26,141,400	26,141,400	
<b>Regular Total Funds</b>	<b>21,862,200</b>	<b>21,862,200</b>		<b>24,738,500</b>	<b>24,738,500</b>		<b>26,141,400</b>	<b>26,141,400</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>21,862,200</b>	<b>21,862,200</b>		<b>24,738,500</b>	<b>24,738,500</b>		<b>26,141,400</b>	<b>26,141,400</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				60,000	60,000		63,000	63,000	
<b>TOTAL ADDITIONAL</b>				<b>60,000</b>	<b>60,000</b>		<b>63,000</b>	<b>63,000</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Workers' Compensation Benefits and Reserve - Staff</b>									
ABRC47C0001 Provide Restricted Funds to support 1 staff position for the program.									
Restricted Funds				60,000	60,000		63,000	63,000	
<b>Project Total</b>				<b>60,000</b>	<b>60,000</b>		<b>63,000</b>	<b>63,000</b>	
<b>TOTAL ADDITIONAL</b>				<b>60,000</b>	<b>60,000</b>		<b>63,000</b>	<b>63,000</b>	

**TRANSFERS TO THE GENERAL FUND****Workers Compensation Benefits and Reserve**

Risk Management Fund (KRS 18A.375(3))	3,028,500	4,028,500	1,000,000
<b>TOTAL</b>	<b>3,028,500</b>	<b>4,028,500</b>	<b>1,000,000</b>

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**Workers' Compensation Benefits and Reserve**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer includes a transfer, from Workers Compensation Benefits and Reserve, Restricted Funds of \$3,028,500 in fiscal year 2005-2006.

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following change:

The General Assembly amends the State/Executive Branch Budget Bill, Part V, Funds Transfer, to provide a transfer of additional Restricted funds in the amount of \$1,000,000 from the Workers Compensation Benefits and Reserve in fiscal year 2005-2006.

**J - Personnel****Operating Budget****State Salary Compensation Fund**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund				8,000,000	8,000,000		24,000,000	24,000,000	
<b>Regular Total Funds</b>				<b>8,000,000</b>	<b>8,000,000</b>		<b>24,000,000</b>	<b>24,000,000</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>				<b>8,000,000</b>	<b>8,000,000</b>		<b>24,000,000</b>	<b>24,000,000</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs				8,000,000	8,000,000		24,000,000	24,000,000	
<b>TOTAL EXPENDITURES</b>				<b>8,000,000</b>	<b>8,000,000</b>		<b>24,000,000</b>	<b>24,000,000</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				8,000,000	8,000,000		24,000,000	24,000,000	
<b>TOTAL ADDITIONAL</b>				<b>8,000,000</b>	<b>8,000,000</b>		<b>24,000,000</b>	<b>24,000,000</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 DC</b>	<b>State Salary Compensation Pool - State employee increments</b>								
ABRC47Z0001	Provide General Fund share of state employee increment policy.								
General Fund				8,000,000	8,000,000		24,000,000	24,000,000	
<b>Project Total</b>				<b>8,000,000</b>	<b>8,000,000</b>		<b>24,000,000</b>	<b>24,000,000</b>	
<b>TOTAL ADDITIONAL</b>				<b>8,000,000</b>	<b>8,000,000</b>		<b>24,000,000</b>	<b>24,000,000</b>	

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**State Salary Compensation Fund**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Employee Compensation:** The above General Fund appropriation provides a pool of funds to be allocated in accordance with the procedures contained in Part IV, State Salary/Compensation and Employment Policy, of this Act."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following change:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

**"Employee Compensation:** The above General Fund appropriation provides a pool of funds to be allocated in accordance with the procedures contained in Part IV, State Salary/Compensation and Employment Policy, of this Act. Included in the above \$8,000,000 General Fund appropriation in fiscal year 2006-2007 is \$3,842,500 which shall not be allocated, transferred, or expended and shall continue into fiscal year 2007-2008 and shall only be expended in that fiscal year for this same purpose."

**J - Personnel****Operating Budget****State Group Health Insurance Fund**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	5,130,600	5,130,600		4,350,000	2,476,000	(1,874,000)	4,350,000	2,476,000	(1,874,000)
Regular Total Funds	5,130,600	5,130,600		4,350,000	2,476,000	(1,874,000)	4,350,000	2,476,000	(1,874,000)
Use of Continuing									
TOTAL FUNDS	5,130,600	5,130,600		4,350,000	2,476,000	(1,874,000)	4,350,000	2,476,000	(1,874,000)
II. EXPENDITURE CATEGORY									
Personnel Costs	5,130,600	5,130,600		4,350,000	2,476,000	(1,874,000)	4,350,000	2,476,000	(1,874,000)
TOTAL EXPENDITURES	5,130,600	5,130,600		4,350,000	2,476,000	(1,874,000)	4,350,000	2,476,000	(1,874,000)
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	5,130,600	5,130,600		4,350,000	2,176,000	(2,174,000)	4,350,000	2,176,000	(2,174,000)
Regular Total Funds	5,130,600	5,130,600		4,350,000	2,176,000	(2,174,000)	4,350,000	2,176,000	(2,174,000)
Use of Continuing									
TOTAL BASE LEVEL	5,130,600	5,130,600		4,350,000	2,176,000	(2,174,000)	4,350,000	2,176,000	(2,174,000)
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund					300,000	300,000		300,000	300,000
TOTAL ADDITIONAL					300,000	300,000		300,000	300,000
V. ADDITIONAL BUDGET ITEMS									
1	CONT	Quasi Governmental Family Subsidy							
ABRC47HI0003	Provide General Fund to partially support the additional cost of the "Family Subsidy" to Quasi Governmental agencies, in the State Group Health Insurance Plan								
General Fund					300,000	300,000		300,000	300,000
Project Total					300,000	300,000		300,000	300,000
TOTAL ADDITIONAL					300,000	300,000		300,000	300,000

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**State Group Health Insurance Fund**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Group Health Insurance:** The above General Fund appropriation is provided to support a dependent subsidy for quasi-governmental employers, excluding state agencies, participating in the State Group Health Insurance program."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

**"Group Health Insurance:** The above General Fund appropriation is provided to support a dependent subsidy for full-time employees of quasi-governmental employers, excluding state agencies, participating in the State Group Health Insurance program. To participate in this fund, each quasi-governmental employer must certify to the Secretary of the Personnel Cabinet that no funds received from the pool are being utilized to fund any benefits for persons other than full-time employees."

The General Assembly transfers General Fund support of \$2,174,000 in each fiscal year from this appropriation unit to the Department for Public Health in the Cabinet for Health and Family Services to continue the support provided to Local and District Health Departments for the employer cost of the State Group Health Insurance Program from that appropriation unit in the future.

The General Assembly increases General Fund support by \$300,000 in each fiscal year for this appropriation unit.

## **Postsecondary Education**

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## **Postsecondary Education**

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<b><u>Eastern Kentucky University</u></b>	<b><u>1247</u></b>
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# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Council on Postsecondary Education	82,288,000	82,288,000		88,839,500	87,072,500	(1,767,000)	129,448,200	125,439,200	(4,009,000)
Kentucky Higher Education Assistance Authority	200,657,600	200,657,600		210,094,800	206,194,800	(3,900,000)	214,559,900	213,150,200	(1,409,700)
Eastern Kentucky University	263,555,900	263,555,900		274,619,300	274,662,100	42,800	277,201,800	281,468,300	4,266,500
Kentucky State University	62,920,000	62,920,000		64,672,400	65,172,400	500,000	64,852,600	66,020,700	1,168,100
Morehead State University	158,622,900	158,622,900		159,110,100	159,131,000	20,900	158,495,300	162,349,300	3,854,000
Murray State University	138,912,600	138,912,600		144,734,700	144,753,100	18,400	148,418,900	150,820,100	2,401,200
Northern Kentucky University	171,901,700	171,901,700		179,651,700	180,411,800	760,100	182,192,100	188,547,600	6,355,500
University of Kentucky	1,664,857,600	1,664,857,600		1,728,278,400	1,728,733,100	454,700	1,791,296,600	1,810,798,400	19,501,800
University of Louisville	697,827,100	697,827,100		769,223,900	769,302,200	78,300	842,088,800	850,319,500	8,230,700
Western Kentucky University	272,586,000	272,586,000		295,141,000	295,699,100	558,100	304,097,300	311,846,100	7,748,800
Kentucky Community and Technical College System	598,414,300	598,414,300		624,923,600	631,466,600	6,543,000	654,700,200	672,225,000	17,524,800
<b>Regular Appropriation</b>	<b>4,312,543,700</b>	<b>4,312,543,700</b>		<b>4,539,289,400</b>	<b>4,542,598,700</b>	<b>3,309,300</b>	<b>4,767,351,700</b>	<b>4,832,984,400</b>	<b>65,632,700</b>

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>GENERAL FUND (TOBACCO)</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Council on Postsecondary Education	5,052,700	5,052,700		4,431,200	4,431,200		4,691,200	4,691,200	
Kentucky Higher Education Assistance Authority	900,000	900,000		800,000	800,000		900,000	900,000	
<b>Regular Appropriation</b>	<b>5,952,700</b>	<b>5,952,700</b>		<b>5,231,200</b>	<b>5,231,200</b>		<b>5,591,200</b>	<b>5,591,200</b>	

### GENERAL FUND (TOBACCO)

#### CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Kentucky Higher Education Assistance Authority	63,700	63,700							
<b>Reserve Spending</b>	<b>63,700</b>	<b>63,700</b>							

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>GENERAL FUND</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Council on Postsecondary Education	51,425,400	51,425,400		58,698,200	56,931,200	(1,767,000)	99,129,700	95,120,700	(4,009,000)
Kentucky Higher Education Assistance Authority	161,383,500	161,383,500		168,524,300	164,624,300	(3,900,000)	175,714,600	174,304,900	(1,409,700)
Eastern Kentucky University	77,470,800	77,470,800		77,881,200	77,924,000	42,800	75,963,700	80,230,200	4,266,500
Kentucky State University	25,248,300	25,248,300		27,000,700	27,500,700	500,000	27,180,900	28,349,000	1,168,100
Morehead State University	44,839,500	44,839,500		45,441,700	45,462,600	20,900	44,843,600	48,697,600	3,854,000
Murray State University	54,954,200	54,954,200		55,260,200	55,278,600	18,400	53,667,500	56,068,700	2,401,200
Northern Kentucky University	51,333,500	51,333,500		53,115,900	53,876,000	760,100	48,974,500	55,330,000	6,355,500
University of Kentucky	314,302,200	314,302,200		318,113,200	318,567,900	454,700	315,764,700	335,016,500	19,251,800
University of Louisville	183,687,900	183,687,900		187,406,500	187,484,800	78,300	183,115,400	191,346,100	8,230,700
Western Kentucky University	78,038,800	78,038,800		79,666,100	80,224,200	558,100	78,647,400	86,396,200	7,748,800
Kentucky Community and Technical College System	201,776,300	201,776,300		206,383,800	212,926,800	6,543,000	208,806,300	226,331,100	17,524,800
<b>Regular Appropriation</b>	<b>1,244,460,400</b>	<b>1,244,460,400</b>		<b>1,277,491,800</b>	<b>1,280,801,100</b>	<b>3,309,300</b>	<b>1,311,808,300</b>	<b>1,377,191,000</b>	<b>65,382,700</b>

### GENERAL FUND

#### CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Kentucky Higher Education Assistance Authority	356,400	356,400	
<b>Reserve Spending</b>	<b>356,400</b>	<b>356,400</b>	

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>RESTRICTED FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Council on Postsecondary Education	6,710,500	6,710,500		6,610,700	6,610,700		6,527,900	6,527,900	
Kentucky Higher Education Assistance Authority	36,648,100	36,648,100		39,044,500	39,044,500		36,219,300	36,219,300	
Eastern Kentucky University	128,912,300	128,912,300		139,565,300	139,565,300		144,065,300	144,065,300	
Kentucky State University	23,375,700	23,375,700		23,375,700	23,375,700		23,375,700	23,375,700	
Morehead State University	58,868,500	58,868,500		62,467,400	62,467,400		62,754,000	62,754,000	
Murray State University	69,071,500	69,071,500		74,587,600	74,587,600		79,864,500	79,864,500	
Northern Kentucky University	106,736,800	106,736,800		112,204,400	112,204,400		118,886,200	118,886,200	
University of Kentucky	1,184,527,400	1,184,527,400		1,238,551,300	1,238,551,300		1,298,127,600	1,298,377,600	250,000
University of Louisville	395,459,800	395,459,800		445,336,100	445,336,100		502,019,800	502,019,800	
Western Kentucky University	157,685,200	157,685,200		175,046,300	175,046,300		183,059,600	183,059,600	
Kentucky Community and Technical College System	259,314,300	259,314,300		273,623,700	273,623,700		292,823,500	292,823,500	
<b>Regular Appropriation</b>	<b>2,427,310,100</b>	<b>2,427,310,100</b>		<b>2,590,413,000</b>	<b>2,590,413,000</b>		<b>2,747,723,400</b>	<b>2,747,973,400</b>	<b>250,000</b>

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## POSTSECONDARY EDUCATION OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>FEDERAL FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Council on Postsecondary Education	19,099,400	19,099,400		19,099,400	19,099,400		19,099,400	19,099,400	
Kentucky Higher Education Assistance Authority	1,726,000	1,726,000		1,726,000	1,726,000		1,726,000	1,726,000	
Eastern Kentucky University	57,172,800	57,172,800		57,172,800	57,172,800		57,172,800	57,172,800	
Kentucky State University	14,296,000	14,296,000		14,296,000	14,296,000		14,296,000	14,296,000	
Morehead State University	54,914,900	54,914,900		51,201,000	51,201,000		50,897,700	50,897,700	
Murray State University	14,886,900	14,886,900		14,886,900	14,886,900		14,886,900	14,886,900	
Northern Kentucky University	13,831,400	13,831,400		14,331,400	14,331,400		14,331,400	14,331,400	
University of Kentucky	166,028,000	166,028,000		171,613,900	171,613,900		177,404,300	177,404,300	
University of Louisville	118,679,400	118,679,400		136,481,300	136,481,300		156,953,600	156,953,600	
Western Kentucky University	36,862,000	36,862,000		40,428,600	40,428,600		42,390,300	42,390,300	
Kentucky Community and Technical College System	137,323,700	137,323,700		144,916,100	144,916,100		153,070,400	153,070,400	
<b>Regular Appropriation</b>	<b>634,820,500</b>	<b>634,820,500</b>		<b>666,153,400</b>	<b>666,153,400</b>		<b>702,228,800</b>	<b>702,228,800</b>	

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## K - Postsecondary Education

## Operating Budget

## Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	5,952,700	5,952,700		5,231,200	5,231,200		5,591,200	5,591,200	
General Fund	1,244,460,400	1,244,460,400		1,277,491,800	1,280,801,100	3,309,300	1,311,808,300	1,377,191,000	65,382,700
Restricted Funds	2,427,310,100	2,427,310,100		2,590,413,000	2,590,413,000		2,747,723,400	2,747,973,400	250,000
Federal Funds	634,820,500	634,820,500		666,153,400	666,153,400		702,228,800	702,228,800	
<b>Regular Total Funds</b>	<b>4,312,543,700</b>	<b>4,312,543,700</b>		<b>4,539,289,400</b>	<b>4,542,598,700</b>	<b>3,309,300</b>	<b>4,767,351,700</b>	<b>4,832,984,400</b>	<b>65,632,700</b>
Use of Continuing	420,100	420,100							
<b>TOTAL FUNDS</b>	<b>4,312,963,800</b>	<b>4,312,963,800</b>		<b>4,539,289,400</b>	<b>4,542,598,700</b>	<b>3,309,300</b>	<b>4,767,351,700</b>	<b>4,832,984,400</b>	<b>65,632,700</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	2,227,702,700	2,227,702,700		2,344,185,600	2,344,485,600	300,000	2,455,612,900	2,455,612,900	
Operating Expenses	1,239,972,200	1,239,972,200		1,322,933,600	1,330,609,900	7,676,300	1,403,045,000	1,472,096,400	69,051,400
Grants, Loans, Benefits	643,101,700	643,101,700		670,843,900	666,176,900	(4,667,000)	705,524,300	697,447,600	(8,076,700)
Debt Service	74,396,000	74,396,000		72,473,800	72,473,800		73,777,500	78,435,500	4,658,000
Capital Outlay	127,521,200	127,521,200		128,852,500	128,852,500		129,392,000	129,392,000	
Construction	270,000	270,000							
<b>TOTAL EXPENDITURES</b>	<b>4,312,963,800</b>	<b>4,312,963,800</b>		<b>4,539,289,400</b>	<b>4,542,598,700</b>	<b>3,309,300</b>	<b>4,767,351,700</b>	<b>4,832,984,400</b>	<b>65,632,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	5,952,700	5,952,700		5,231,200	5,231,200		5,591,200	5,591,200	
General Fund	1,244,460,400	1,244,460,400		1,244,805,000	1,243,805,000	(1,000,000)	1,226,543,700	1,225,543,700	(1,000,000)
Restricted Funds	2,427,310,100	2,427,310,100		2,438,673,200	2,438,673,200		2,442,733,300	2,442,733,300	
Federal Funds	634,820,500	634,820,500		631,606,600	631,606,600		631,303,300	631,303,300	
<b>Regular Total Funds</b>	<b>4,312,543,700</b>	<b>4,312,543,700</b>		<b>4,320,316,000</b>	<b>4,319,316,000</b>	<b>(1,000,000)</b>	<b>4,306,171,500</b>	<b>4,305,171,500</b>	<b>(1,000,000)</b>
Use of Continuing	420,100	420,100							
<b>TOTAL BASE LEVEL</b>	<b>4,312,963,800</b>	<b>4,312,963,800</b>		<b>4,320,316,000</b>	<b>4,319,316,000</b>	<b>(1,000,000)</b>	<b>4,306,171,500</b>	<b>4,305,171,500</b>	<b>(1,000,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				32,686,800	36,996,100	4,309,300	85,264,600	151,647,300	66,382,700
Restricted Funds				151,739,800	151,739,800		304,990,100	305,240,100	250,000
Federal Funds				34,546,800	34,546,800		70,925,500	70,925,500	
<b>TOTAL ADDITIONAL</b>				<b>218,973,400</b>	<b>223,282,700</b>	<b>4,309,300</b>	<b>461,180,200</b>	<b>527,812,900</b>	<b>66,632,700</b>

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**K - Postsecondary Education****Capital Budget****Summary Totals**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
General Fund					300,000	300,000			
Restricted Funds		4,320,000	4,320,000	1,429,145,000	1,568,258,000	139,113,000	8,050,000	8,050,000	
Federal Funds				95,667,000	96,484,100	817,100	3,290,000	3,290,000	
Bond Funds				260,276,000	479,898,000	219,622,000			
Agency Bonds				205,132,000	234,337,000	29,205,000			
Other Funds				28,810,000	193,708,000	164,898,000	8,970,000	14,868,000	5,898,000
<b>TOTAL CAPITAL</b>		<b>4,320,000</b>	<b>4,320,000</b>	<b>2,019,030,000</b>	<b>2,572,985,100</b>	<b>553,955,100</b>	<b>20,310,000</b>	<b>26,208,000</b>	<b>5,898,000</b>

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**K - Postsecondary Education****Operating Budget****Council on Postsecondary Education**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	5,052,700	5,052,700		4,431,200	4,431,200		4,691,200	4,691,200	
General Fund	51,425,400	51,425,400		58,698,200	56,931,200	(1,767,000)	99,129,700	95,120,700	(4,009,000)
Restricted Funds	6,710,500	6,710,500		6,610,700	6,610,700		6,527,900	6,527,900	
Federal Funds	19,099,400	19,099,400		19,099,400	19,099,400		19,099,400	19,099,400	
<b>Regular Total Funds</b>	<b>82,288,000</b>	<b>82,288,000</b>		<b>88,839,500</b>	<b>87,072,500</b>	<b>(1,767,000)</b>	<b>129,448,200</b>	<b>125,439,200</b>	<b>(4,009,000)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>82,288,000</b>	<b>82,288,000</b>		<b>88,839,500</b>	<b>87,072,500</b>	<b>(1,767,000)</b>	<b>129,448,200</b>	<b>125,439,200</b>	<b>(4,009,000)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	15,572,700	15,572,700		15,607,000	15,607,000		15,923,900	15,923,900	
Operating Expenses	6,087,000	6,087,000		7,119,900	6,119,900	(1,000,000)	7,425,600	5,425,600	(2,000,000)
Grants, Loans, Benefits	60,200,200	60,200,200		66,000,600	65,233,600	(767,000)	81,734,700	75,067,700	(6,667,000)
Debt Service							24,252,000	28,910,000	4,658,000
Capital Outlay	158,100	158,100		112,000	112,000		112,000	112,000	
Construction	270,000	270,000							
<b>TOTAL EXPENDITURES</b>	<b>82,288,000</b>	<b>82,288,000</b>		<b>88,839,500</b>	<b>87,072,500</b>	<b>(1,767,000)</b>	<b>129,448,200</b>	<b>125,439,200</b>	<b>(4,009,000)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	5,052,700	5,052,700		4,431,200	4,431,200		4,691,200	4,691,200	
General Fund	51,425,400	51,425,400		51,711,400	50,711,400	(1,000,000)	51,755,400	50,755,400	(1,000,000)
Restricted Funds	6,710,500	6,710,500		6,610,700	6,610,700		6,527,900	6,527,900	
Federal Funds	19,099,400	19,099,400		19,099,400	19,099,400		19,099,400	19,099,400	
<b>Regular Total Funds</b>	<b>82,288,000</b>	<b>82,288,000</b>		<b>81,852,700</b>	<b>80,852,700</b>	<b>(1,000,000)</b>	<b>82,073,900</b>	<b>81,073,900</b>	<b>(1,000,000)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>82,288,000</b>	<b>82,288,000</b>		<b>81,852,700</b>	<b>80,852,700</b>	<b>(1,000,000)</b>	<b>82,073,900</b>	<b>81,073,900</b>	<b>(1,000,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				6,986,800	6,219,800	(767,000)	47,374,300	44,365,300	(3,009,000)
<b>TOTAL ADDITIONAL</b>				<b>6,986,800</b>	<b>6,219,800</b>	<b>(767,000)</b>	<b>47,374,300</b>	<b>44,365,300</b>	<b>(3,009,000)</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN Kentucky Adult Education</b>									
ABR4150015 Provides General Fund for the KY Adult Education program.									
General Fund				1,000,000	1,000,000		3,000,000	3,000,000	
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>3,000,000</b>	<b>3,000,000</b>	

**K - Postsecondary Education****Operating Budget****Council on Postsecondary Education**

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	NEW	Performance Funding									
ABR4150035			Provides funding for Performance Funding. These funds are to be distributed to the universities and KCTCS.								
General Fund									1,000,000	1,000,000	
Project Total									1,000,000	1,000,000	
3	GB	Electronic Library Databases									
ABR4150031			Provides General Fund for the KYVL databases.								
General Fund									350,000	350,000	
Project Total									350,000	350,000	
4	GB	Inter-Library Loan - Courier Services									
ABR4150033			Provides General Funds to restore the courier service to FY 2000-2001 levels.								
General Fund						85,000	85,000		85,000	85,000	
Project Total						85,000	85,000		85,000	85,000	
5	RRF	Contract Spaces - Restricted Fund Replacement									
ABR4150001			Provides General Fund for Restricted Funds replacement.								
General Fund						304,400	304,400		639,900	639,900	
Project Total						304,400	304,400		639,900	639,900	
6	GB	Contract Spaces									
ABR4150002			Provides General Fund for contract spaces.								
General Fund						282,400	282,400		282,400	282,400	
Project Total						282,400	282,400		282,400	282,400	
7	GB	Technology Initiative Trust Fund - Kentucky Postsecondary Education Network (KPEN)									
ABR4150009			Provides General Fund for a basic level of support of the network.								
General Fund						700,000	700,000		700,000	700,000	
Project Total						700,000	700,000		700,000	700,000	
8	NEW	Regional Stewardship Trust Fund									
ABR4150014			Provides General Fund for initiatives of the Regional Stewardship Trust Fund.								
General Fund						1,200,000	1,200,000		3,600,000	3,600,000	
Project Total						1,200,000	1,200,000		3,600,000	3,600,000	
9	NEW	Research Support									
ABR4150018			Provides General Fund to establish a research capacity pool. These funds are to be distributed to UK and UofL.								
General Fund						1,500,000	1,500,000		9,000,000	3,000,000	(6,000,000)
Project Total						1,500,000	1,500,000		9,000,000	3,000,000	(6,000,000)

**K - Postsecondary Education****Operating Budget****Council on Postsecondary Education**

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>10</b>	<b>GB</b>	<b>Minority Student College Preparation Program</b>									
ABR4150005 Provides General Fund for the Minority Student College Preparation Program.											
General Fund						67,500	67,500		67,500	67,500	
<b>Project Total</b>						<b>67,500</b>	<b>67,500</b>		<b>67,500</b>	<b>67,500</b>	
<b>11</b>	<b>NEW</b>	<b>Workforce Development Trust Fund</b>									
ABR4150029 Provides General Fund for the Workforce Development Trust Fund initiatives.											
General Fund						300,000	300,000		1,200,000	1,200,000	
<b>Project Total</b>						<b>300,000</b>	<b>300,000</b>		<b>1,200,000</b>	<b>1,200,000</b>	
<b>12</b>	<b>NEW</b>	<b>Principal Leadership Institute</b>									
ABR4150036 Provides General Fund in FY 2008 for the Kentucky universities with education leadership programs to improve the next generation of public school principals.											
General Fund									1,000,000	500,000	(500,000)
<b>Project Total</b>									<b>1,000,000</b>	<b>500,000</b>	<b>(500,000)</b>
<b>13</b>	<b>NEW</b>	<b>P-16 Engineering Pipeline</b>									
ABR4150017 Provides General Fund for the for pre-engineering curricula in select middle and high schools to ensure an adequate number of students enroll in engineering programs.											
General Fund						350,000	350,000		350,000	350,000	
<b>Project Total</b>						<b>350,000</b>	<b>350,000</b>		<b>350,000</b>	<b>350,000</b>	
<b>14</b>	<b>EXPAN</b>	<b>Technology Initiative Trust Fund - Faculty Development</b>									
ABR4150021 Provides General Fund in each year of the biennium to allow accessibility awareness and training to faculty.											
General Fund						35,500	35,500		35,500	35,500	
<b>Project Total</b>						<b>35,500</b>	<b>35,500</b>		<b>35,500</b>	<b>35,500</b>	
<b>15</b>	<b>NEW</b>	<b>Technology Initiative Trust Fund - College Assessment</b>									
ABR4150023 Provides General Fund for participate in the National Center for Public Policy in Higher Eds Measuring Up 2008 Learning Grade.											
General Fund									150,000	150,000	
<b>Project Total</b>									<b>150,000</b>	<b>150,000</b>	
<b>16</b>	<b>NEW</b>	<b>Technology Initiative Trust Fund - Academic Innovation &amp; Collaborative Grants</b>									
ABR4150025 Provides funds for this program.											
General Fund						80,000		(80,000)	250,000		(250,000)
<b>Project Total</b>						<b>80,000</b>		<b>(80,000)</b>	<b>250,000</b>		<b>(250,000)</b>

**K - Postsecondary Education****Operating Budget****Council on Postsecondary Education**

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>17</b>	<b>NEW</b>	<b>Technology Initiative Trust Fund - Collaborative Public Health Initiatives</b>								
ABR4150026		Provides funding in each year of the biennium to modernize the public health curricula at the four public health programs/schools (UK, UofL, ECU and WKU).								
General Fund					87,000		(87,000)	150,000		(150,000)
<b>Project Total</b>					<b>87,000</b>		<b>(87,000)</b>	<b>150,000</b>		<b>(150,000)</b>
<b>18</b>	<b>NEW</b>	<b>Technology Initiative Trust Fund - College Access Initiative</b>								
ABR4150024		Provides General Fund in each year of the biennium for a campaign to increase education attainment levels.								
General Fund					450,000	350,000	(100,000)	717,000	450,000	(267,000)
<b>Project Total</b>					<b>450,000</b>	<b>350,000</b>	<b>(100,000)</b>	<b>717,000</b>	<b>450,000</b>	<b>(267,000)</b>
<b>19</b>	<b>NEW</b>	<b>Debt Service - Physical Facilities Fund</b>								
ABR4150034		Provides General Fund for debt service of Bond funded capital projects at the colleges and universities.								
General Fund								24,252,000	27,442,000	3,190,000
<b>Project Total</b>								<b>24,252,000</b>	<b>27,442,000</b>	<b>3,190,000</b>
<b>20</b>	<b>GB</b>	<b>SREB Doctoral Scholars</b>								
ABR4150007		Provides General Fund to fully support students in the program.								
General Fund					45,000	45,000		45,000	45,000	
<b>Project Total</b>					<b>45,000</b>	<b>45,000</b>		<b>45,000</b>	<b>45,000</b>	
<b>21</b>	<b>NEW</b>	<b>Debt Service - Information Technology &amp; Equipment Acquisitions</b>								
ABR4150022		Provides General Fund debt service for Information Technology and Equipment bond issue of \$10 million								
General Fund									917,000	917,000
<b>Project Total</b>									<b>917,000</b>	<b>917,000</b>
<b>22</b>	<b>NEW</b>	<b>Research Support - UK and UofL</b>								
ABR4150055		Provides General Fund debt service for \$6.0 million bond issue for lab renovation, fit-up, and equipment. The Governor vetoed this project; therefore funds will lapse to the credit of the General Fund in FY 2007-08.								
General Fund									551,000	551,000
<b>Project Total</b>									<b>551,000</b>	<b>551,000</b>
<b>23</b>	<b>NEW</b>	<b>K-12 Professional Development</b>								
ABR4150039		Provide funds to enhance professional development for certified staff in local school districts.								
General Fund					500,000		(500,000)	500,000		(500,000)
<b>Project Total</b>					<b>500,000</b>		<b>(500,000)</b>	<b>500,000</b>		<b>(500,000)</b>



**K - Postsecondary Education****Operating Budget****Council on Postsecondary Education**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL ADDITIONAL</b>				<b>6,986,800</b>	<b>6,219,800</b>	<b>(767,000)</b>	<b>47,374,300</b>	<b>44,365,300</b>	<b>(3,009,000)</b>

**TRANSFERS TO THE GENERAL FUND****Council on Postsecondary Education**

Agency Revenue Fund	300,000	300,000
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<b>TOTAL</b>	<b>300,000</b>	<b>300,000</b>
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**Council on Postsecondary Education**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Debt Service:** Included in the above General Fund appropriation for the Physical Facilities Fund is \$24,252,000 in fiscal year 2007-2008 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act, for Postsecondary Education institutions."

**"Carry Forward of General Fund Appropriation Balance:** Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2005-2006 and fiscal year 2006-2007 to the Adult Education and Literacy Funding Program shall not lapse and shall carry forward."

"Notwithstanding KRS 45.229, the General Fund appropriation in fiscal year 2005-2006 and fiscal year 2006-2007 to the Science and Technology Funding Program shall not lapse and shall carry forward."

**"Strategic Investment and Incentive Trust Funds Interest Income:** Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917, 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, interest earnings in the amount of \$393,900 in fiscal year 2006-2007 and \$393,900 in fiscal year 2007-2008 shall be transferred from Strategic Investment and Incentive Trust Fund accounts included under these statutes to Agency Revenue accounts within the Council on Postsecondary Education budget unit in the following amounts and for the following specified purposes: \$105,500 in each year of the biennium for the Minority Student College Preparation Program; \$188,400 in each year of the biennium for the Southern Regional Board Doctoral Scholars Program; and \$100,000 in each year of the biennium for the P-16 Council/Early Math Testing Programs."

**"Interest Earnings Transfer from the Strategic Investment and Incentive Trust Fund Accounts:** Notwithstanding KRS 164.7911, 164.7913, 164.7915, 164.7917, 164.7919, 164.7921, 164.7923, 164.7925, and 164.7927, any expenditures from the Strategic Investment and Incentive Trust Fund accounts in excess of appropriated amounts by the Council on Postsecondary Education shall be subject to KRS 48.630."

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**"Kentucky Science and Technology Corporation:** Notwithstanding KRS 154.12-278(3)(j), the Kentucky Science and Technology Corporation shall submit an annual plan detailing the annual allocation of funds from the Science and Technology Funding Program, excluding funds for the Knowledge-Based Economy Academic Programs, for review and approval by the Council on Postsecondary Education and the Commissioner for the Department of Commercialization and Innovation within the Cabinet for Economic Development, prior to the Council on Postsecondary Education executing a contract with the Corporation to administer Science and Technology Funding programs."

**"Ovarian Cancer:** Notwithstanding KRS 164.476, General Fund (Tobacco) dollars in the amount of \$633,500 in fiscal year 2006-2007 and \$670,600 in fiscal year 2007-2008 shall be allotted from the Lung Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the University of Kentucky."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget includes a language provision as follows:

**"Postsecondary Education Capital Renewal and Maintenance Pool Match:** The Capital Renewal and Maintenance Pool provides funding for individual projects at Kentucky's public postsecondary institutions to upgrade and replace building systems and infrastructure in education and general facilities. The individual projects funded from this pool shall be recommended by the Council on Postsecondary Education to the Secretary of the Finance and Administration Cabinet from the project listings previously identified by the Council. The Council shall determine the allocation of the Capital Renewal and Maintenance Pool among the postsecondary education institutions and report that allocation to the Secretary of the Finance and Administration Cabinet and the Legislative Research Commission's Capital Projects and Bond Oversight Committee. The Bond Funds in this pool shall be matched with the institutions' Restricted Funds at varying levels as determined by the Council on Postsecondary Education."

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Council on Postsecondary Education, Restricted Funds of \$300,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part X, General Fund - Phase I Tobacco Settlement Funds, D. Health Care Improvement Appropriations includes \$4,431,200 in fiscal year 2006-2007 and \$4,691,200 in fiscal year 2007-2008 and a language provision as follows:

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**"Ovarian Cancer:** Notwithstanding KRS 164.476, General Fund (Tobacco) dollars in the amount of \$633,500 in fiscal year 2006-2007 and \$670,600 in fiscal year 2007-2008 shall be allotted from the Lung Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the University of Kentucky."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Budget Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$3,000,000 in fiscal year 2007-2008 for Research Support capacity pool to be distributed to the University of Kentucky and the University of Louisville.

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$500,000 for the Principal Leadership Institute.

The General Assembly deletes Part I, Operating Budget, General Fund appropriations of \$80,000 in fiscal year 2006-2007 and \$250,000 in fiscal year 2007-2008 for the Technology Initiative Trust Fund - Academic Innovation & Collaborative Grants.

The General Assembly deletes Part I, Operating Budget, General Fund appropriations of \$87,000 in fiscal year 2006-2007 and \$150,000 in fiscal year 2007-2008 for the Technology Initiative Trust Fund - Collaborative Public Health Initiatives.

The General Assembly provides Part I, Operating Budget, General Fund appropriations of \$350,000 in fiscal year 2006-2007 and \$450,000 in fiscal year 2007-2008 for the Technology Initiative Trust Fund - College Access Initiative.

The General Assembly provides Part I, Operating Budget, General Fund appropriations of \$27,442,000 in fiscal year 2007-2008 for debt service of Bond Funded capital projects at the colleges and universities.

The General Assembly provides Part I, Operating Budget, General Fund appropriations of \$917,000 in fiscal year 2007-2008 for debt service on a \$10 million bond issue for Information Technology and Equipment Acquisitions.

The General Assembly provides Part I, Operating Budget, General Fund appropriations of \$551,000 in fiscal year 2007-2008 for debt service on a \$6 million bond issue for lab renovation, fit-up, and equipment at the University of Kentucky and the University of Louisville.

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The General Assembly deletes Part I, Operating Budget, General Fund appropriation of \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008 for K-12 Professional Development.

The General Assembly deletes Part I, Operating Budget, General Fund support of \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 in base funding for operating expenses.

The General Assembly adds Part I, Operating Budget, language provisions as follows:

**"Debt Service:** Included in the above General Fund appropriation is \$551,000 in fiscal year 2007-2008 for debt service to support new bonds for Research Support - Lab Renovation, Fit-up and Equipment at the University of Kentucky and the University of Louisville."

**"Debt Service:** Included in the above General Fund appropriation is \$917,000 in fiscal year 2007-2008 for debt service to support new bonds for Information Technology and Equipment Acquisitions."

**"Kentucky Science and Technology Corporation:** Notwithstanding KRS 164.6017(2), the Kentucky Science and Technology Corporation shall administer the Rural Innovation, the Research and Development, and the Commercialization Funds."

**"Ovarian Cancer:** Notwithstanding KRS 164.476, General Fund (Tobacco) dollars in the amount of \$775,000 in each fiscal year shall be allotted from the Lung Cancer Research Fund to the Ovarian Cancer Screening Outreach Program at the University of Kentucky."

**"Regional Stewardship Funding Program:** Included in the above General Fund appropriation is \$1,200,000 in fiscal year 2006-2007 and \$3,600,000 in fiscal year 2007-2008 for the Regional Stewardship Funding Program. The funds will be allocated among the six public comprehensive universities in equal amounts of \$800,000 per institution. Funds will be used for Regional Stewardship priorities related to collaboration with public elementary and secondary schools and regional economic development initiatives. Allocated funds will be distributed upon submission and approval of a strategic plan which determines stewardship priorities. Each institution shall submit a strategic plan for stewardship activities in priority areas to the Council on Postsecondary Education by close of business January 1, 2007. Within 30 days of receipt of the proposals, the Council on Postsecondary Education shall advise the institutions of any non-compliance or non-conformity and shall work with the institution to help them qualify for the grant. Once distributed, these funds will become recurring to the institutions. Each institution shall submit an annual report to the Council on

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Postsecondary Education and to Interim Joint Appropriations and Revenue Committee by September 1 of each year. The report should include descriptions of stewardship initiatives implemented, use of funds for each initiative, and outcomes of the initiatives."

**"Postsecondary Education Debt:** Notwithstanding KRS 45.750 to 45.810, in order to lower the cost of borrowing, any university that has heretofore issued or caused to be issued debt obligations through a not-for-profit corporation or a municipality or county government for which the rental or use payments of the university substantially meet the debt service requirements of those debt obligations is authorized to refinance those debt obligations if the principal amount of the debt obligations is not increased and the rental payments of the university are not increased. Any funds used by a university to make debt obligations issued by university pursuant to this authorization shall be subject to interception of state appropriated funds pursuant to KRS 164A.608."

**"Postsecondary Education Employment Status:** Notwithstanding KRS 164.225, 164.360, and 164.830, the appointment of a relative to the governing board of a public postsecondary education institution, as defined in KRS 164.001, shall not affect the employment status of any related person employed at least 36 months prior to the appointment of the relative."

The General Assembly amends Part II, Capital Budget to include the following projects funded with Bond Funds totaling \$587,880,000 and Agency Bonds totaling \$438,701,000.

<b><u>Bond Fund - Institution/Project</u></b>	<b><u>Scope</u></b>	<b><u>Debt Service*</u></b>
<b>Council on Postsecondary Education</b>		
Capital Renewal Pool	13,927,000	1,297,000 *
Technology Equipment Pool	10,000,000	917,000
Research Support (7year bond - full year debt)	6,000,000	551,000
<b>Eastern Kentucky University</b>		
EKU/UK Dairy Research Project (Meadowbrook Farm)	5,300,000	248,000
Construct Science Building	54,108,000	2,519,000
Manchester Postsecondary Education Center	3,500,000	165,000
<b>Kentucky State University</b>		
Expand and Renovate Betty White Nursing Building	4,900,000	230,000
Hathaway Hall Renovation, Phase III	4,920,000	231,000

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**Morehead State University**

Center for Health, Education & Research	23,000,000	1,071,000
Construct Business Continuanance Datacenter	<u>2,500,000</u>	119,000
Space Science Center	3,400,000	160,000

**Murray State University**

Construct New Science Complex, Phase III	15,000,000	699,000
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**Northern Kentucky University**

Construct Center for Informatics	35,500,000	1,653,000
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**University of Kentucky**

UK Biological/Pharmaceutical Complex, Phase II	79,892,000	3,720,000
Livestock Disease Diagnostic Center, Phase II	<u>13,500,000</u>	629,000

**University of Louisville**

Health Science Center Research Facility, Phase III, Additional	69,680,000	3,245,000
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**Western Kentucky University**

Renovate Science Campus, Phase III	<u>9,000,000</u>	420,000
Construct Materials Characterization Center/ICSET, Phase II	<u>4,500,000</u>	211,000
Replace Ford College of Business Bldg. - Grise Hall - Design	<u>5,800,000</u>	272,000
Construct College of Education Building	35,000,000	1,630,000

**Kentucky Community and Technical College System**

Construct Emerging Technology Center - West KY CTC	16,518,000	770,000
Construct Administration Building - Maysville CTC	5,008,000	235,000
Licking Valley Campus, Phase II, Maysville CTC	<u>1,000,000</u>	49,000
Construct Science/Allied Health Building - Jefferson CTC	25,557,000	1,190,000
Design Advanced Manufacturing Center - Bluegrass CTC	1,500,000	72,000
Construct Central Regional Postsecondary Ed Center, Phase II - Elizabethtown CTC	20,000,000	932,000
Construct Allied Health/Technology Education Building -Somerset CC-Laurel	14,015,000	653,000
Construct Advanced Manufacturing Technology Center - Gateway CTC	28,000,000	1,304,000
Construct Tech Drive Campus, Phase III - Ashland CTC	17,600,000	820,000

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Energy and Advanced Technology Center - Madisonville CC	4,000,000	188,000
Franklin Technology Center - Expansion	2,700,000	256,000 *
Carrollton Campus - Jefferson CTC	12,000,000	559,000
Springfield Community and Technical College	14,500,000	676,000
McCreary Center - Somerset CC	6,500,000	304,000
Mercer County Technical Center	4,000,000	188,000
Advanced Technology Center - Owensboro CTC	14,055,000	655,000
Rowan County Campus - Maysville CTC - Design	1,500,000	72,000

<b>Total Debt Service included in CPE Budget</b>	<b>587,880,000</b>	<b>28,910,000</b>
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\* All debt service is for one-half year except where noted (\*).

<b>Agency Bond Projects</b>	<b><u>Scope</u></b>
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**Eastern Kentucky University**

Construct New Student Housing	10,520,000
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**Kentucky State University**

Construct Parking Structure	7,000,000
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**Morehead State University**

Construct Student Recreation Center	17,000,000
Renovate Student Housing Facilities	10,000,000

**Murray State University**

Construct New Residential College - Richmond Hall	13,077,000
Renovate Curris Center T'Room	750,000
Replace Franklin Hall	13,077,000

**Northern Kentucky University**

Construct New Student Union	17,360,000
Construct Parking Structure #3	15,400,000
Construct Student Housing	23,000,000
Expand Norse Commons	1,400,000



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**Council on Postsecondary Education**

**University of Kentucky**

Construct Patient Care Facility Phase II	150,000,000
Install HVAC - Keeneland Hall	<u>7,013,000</u>
Renovate Blazer Hall Cafeteria	<u>3,010,000</u>

**University of Louisville**

Construct Center for Predictive Medicine	13,000,000
Construct Basketball Practice Facility, Phase II	<u>16,140,000</u>
Construct HSC Parking Structure II	<u>26,113,000</u>
Renovate Miller Hall	<u>11,541,000</u>
Renovate Medical/Dental Research Building, Phase IV	<u>19,800,000</u>

**Western Kentucky University**

Renovate Academic/Athletic #2	25,500,000
Acquire Property and Construct Parking Lots	<u>4,000,000</u>
Expand Preston Center	<u>10,000,000</u>
Van Meter Hall Renovation	<u>16,000,000</u>
Ivan Wilson Fine Arts Center Expansion	<u>8,000,000</u>

**Total**

**438,701,000**

**Note:** Boxed figure denotes enacted amount that was vetoed by the Governor.

The Governor of the Commonwealth vetoes, in part, the following:

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 122, lines 26 through 27, in their entirety.

Page 123, lines 1 through 9, in their entirety.

Page 153, line 10, in its entirety.

Page 154, line 15, after the second character ";" delete "the Capital Renewal and Maintenance Bond".

Page 154, line 18, after the second character ";" delete "the Postsecondary Education Institutions".

Page 154, line 19, in its entirety.

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Page 154, line 20, delete "Support/Lab Renovation and Equipment Pool;". . .

. . .Page 175, lines 7 through 18, in their entirety.

Page 175, lines 21 through 22, in their entirety.

Page 176, lines 15 through 18, in their entirety.

Page 176, lines 24 through 27, in their entirety.

Page 178, line 27, in its entirety.

Page 179, line 1, in its entirety.

Page 179, lines 6 through 7, in their entirety.

Page 181, lines 10 through 13, in their entirety.

Page 181, lines 16 through 17, in their entirety.

Page 183, lines 14 through 17, in their entirety.

Page 185, lines 21 through 24, in their entirety.

Page 187, lines 2 through 3, in their entirety.

Page 206, lines 13 through 16, in their entirety.

Page 210, lines 20 through 27, in their entirety.

Page 211, lines 18 through 21, in their entirety.

Page 211, lines 26 through 27, in their entirety.

Page 212, line 27, in its entirety.

Page 213, lines 1 through 3, in their entirety.

Page 213, lines 6 through 9, in their entirety.

Page 214, line 4, in its entirety.

Page 215, lines 24 through 25, in their entirety.

Page 216, lines 1 through 2, in their entirety.

Page 216, lines 9 through 12, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their*

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*relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

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**K - Postsecondary Education****Capital Budget****Council on Postsecondary Education**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				15,350,000	15,350,000				
Bond Funds				13,000,000		(13,000,000)			
<b>TOTAL CAPITAL</b>				<b>28,350,000</b>	<b>15,350,000</b>	<b>(13,000,000)</b>			
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Capital Renewal and Maintenance Pool (VETOED BY GOVERNOR)</b>								
PRJ4151600									
Bond Funds				13,000,000	13,927,000	(13,000,000)			
<b>Project Total</b>				<b>13,000,000</b>		<b>(13,000,000)</b>			
<b>2</b>	<b>Purchase KYVU/KYVL Electronic Data Bases</b>								
PRJ4151590									
Restricted Funds				7,000,000	7,000,000				
<b>Project Total</b>				<b>7,000,000</b>	<b>7,000,000</b>				
<b>3</b>	<b>Purchase KYVL Integrated Library System</b>								
PRJ4151591									
Restricted Funds				4,000,000	4,000,000				
<b>Project Total</b>				<b>4,000,000</b>	<b>4,000,000</b>				
<b>4</b>	<b>Purchase Interactive Television (ITV) System</b>								
PRJ4151595									
Restricted Funds				800,000	800,000				
<b>Project Total</b>				<b>800,000</b>	<b>800,000</b>				
<b>5</b>	<b>Purchase KYVU Centralized Hosting License</b>								
PRJ4151589									
Restricted Funds				750,000	750,000				
<b>Project Total</b>				<b>750,000</b>	<b>750,000</b>				
<b>6</b>	<b>Purchase KYVL Interlibrary Loan System</b>								
PRJ4151588									
Restricted Funds				700,000	700,000				
<b>Project Total</b>				<b>700,000</b>	<b>700,000</b>				

**K - Postsecondary Education****Capital Budget****Council on Postsecondary Education**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>7 Purchase KYVL Reference Desk Software</b>								
PRJ4151593								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>8 KYVU/KYVL Statewide Software Licenses Pool</b>								
PRJ4151599								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>9 Purchase Postsecondary Ed. Video Conf. System</b>								
PRJ4151596								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>10 Install Website ADA Compliance Restructuring</b>								
PRJ4151592								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>11 Council on Postsecondary Education Lease</b>								
PRJ4151604								
Restricted Funds								
<b>Project Total</b>								
<b>12 Information Technology &amp; Equipment Acquisitions (VETOED BY GOVERNOR)</b>								
PRJ4151607								
Bond Funds				10,000,000				
<b>Project Total</b>								
<b>13 Research Support/Lab renovation and equipment (VETOED BY GOVERNOR)</b>								
PRJ4151609								
Bond Funds				6,000,000				
<b>Project Total</b>								
<b>TOTAL CAPITAL</b>			<b>28,350,000</b>	<b>15,350,000</b>	<b>(13,000,000)</b>			

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.

**K - Postsecondary Education****Operating Budget****Kentucky Higher Education Assistance Authority**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	900,000	900,000		800,000	800,000		900,000	900,000	
General Fund	161,383,500	161,383,500		168,524,300	164,624,300	(3,900,000)	175,714,600	174,304,900	(1,409,700)
Restricted Funds	36,648,100	36,648,100		39,044,500	39,044,500		36,219,300	36,219,300	
Federal Funds	1,726,000	1,726,000		1,726,000	1,726,000		1,726,000	1,726,000	
<b>Regular Total Funds</b>	<b>200,657,600</b>	<b>200,657,600</b>		<b>210,094,800</b>	<b>206,194,800</b>	<b>(3,900,000)</b>	<b>214,559,900</b>	<b>213,150,200</b>	<b>(1,409,700)</b>
Use of Continuing	420,100	420,100							
<b>TOTAL FUNDS</b>	<b>201,077,700</b>	<b>201,077,700</b>		<b>210,094,800</b>	<b>206,194,800</b>	<b>(3,900,000)</b>	<b>214,559,900</b>	<b>213,150,200</b>	<b>(1,409,700)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	12,766,700	12,766,700		13,310,700	13,310,700		13,557,500	13,557,500	
Operating Expenses	3,520,800	3,520,800		3,515,500	3,515,500		3,513,600	3,513,600	
Grants, Loans, Benefits	184,006,600	184,006,600		192,488,000	188,588,000	(3,900,000)	196,707,200	195,297,500	(1,409,700)
Debt Service	746,600	746,600		743,600	743,600		744,600	744,600	
Capital Outlay	37,000	37,000		37,000	37,000		37,000	37,000	
<b>TOTAL EXPENDITURES</b>	<b>201,077,700</b>	<b>201,077,700</b>		<b>210,094,800</b>	<b>206,194,800</b>	<b>(3,900,000)</b>	<b>214,559,900</b>	<b>213,150,200</b>	<b>(1,409,700)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	900,000	900,000		800,000	800,000		900,000	900,000	
General Fund	161,383,500	161,383,500		163,524,300	163,524,300		168,524,300	168,524,300	
Restricted Funds	36,648,100	36,648,100		39,044,500	39,044,500		36,219,300	36,219,300	
Federal Funds	1,726,000	1,726,000		1,726,000	1,726,000		1,726,000	1,726,000	
<b>Regular Total Funds</b>	<b>200,657,600</b>	<b>200,657,600</b>		<b>205,094,800</b>	<b>205,094,800</b>		<b>207,369,600</b>	<b>207,369,600</b>	
Use of Continuing	420,100	420,100							
<b>TOTAL BASE LEVEL</b>	<b>201,077,700</b>	<b>201,077,700</b>		<b>205,094,800</b>	<b>205,094,800</b>		<b>207,369,600</b>	<b>207,369,600</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				5,000,000	1,100,000	(3,900,000)	7,190,300	5,780,600	(1,409,700)
<b>TOTAL ADDITIONAL</b>				<b>5,000,000</b>	<b>1,100,000</b>	<b>(3,900,000)</b>	<b>7,190,300</b>	<b>5,780,600</b>	<b>(1,409,700)</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW KHEAA - Go Higher Grant Program</b>									
ABR075A0008 Provides General Fund for the Go Higher Grant Program.									
General Fund							200,000	200,000	
<b>Project Total</b>							<b>200,000</b>	<b>200,000</b>	

**K - Postsecondary Education****Operating Budget****Kentucky Higher Education Assistance Authority**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 EXPAN KHEAA - Kentucky Tuition Grant (KTG)</b>								
ABR075A0004 Provides General Fund for the program.								
General Fund				1,100,000	1,100,000		2,390,300	2,390,300
<b>Project Total</b>				<b>1,100,000</b>	<b>1,100,000</b>		<b>2,390,300</b>	<b>2,390,300</b>
<b>3 NEW Pharmacy Scholarship Fund</b>								
ABR075A0012 Provides funding for a scholarship program for students to attend a pharmacy school at a private institution located in an Appalachian Regional Commission county.								
General Fund							1,000,000	1,000,000
<b>Project Total</b>							<b>1,000,000</b>	<b>1,000,000</b>
<b>4 GB KHEAA - KY Educational Excellence Scholarship (KEES)</b>								
ABR075A0010 Provides General Fund for the KEES Program.								
General Fund						2,190,300	2,190,300	
<b>Project Total</b>						<b>2,190,300</b>	<b>2,190,300</b>	
<b>5 GB KHEAA - College Access Program (CAP)</b>								
ABR075A0002 Provide need-based aid for student from coal counties.								
General Fund				5,000,000	(5,000,000)	4,800,000		(4,800,000)
<b>Project Total</b>				<b>5,000,000</b>	<b>(5,000,000)</b>	<b>4,800,000</b>		<b>(4,800,000)</b>
<b>TOTAL ADDITIONAL</b>				<b>5,000,000</b>	<b>1,100,000</b>	<b>(3,900,000)</b>	<b>7,190,300</b>	<b>5,780,600</b>
								<b>(1,409,700)</b>

**TRANSFERS TO THE GENERAL FUND****Kentucky Higher Education Assistance Authority**

Osteopathic Medicine	390,000	390,000		
Scholarship Trust Fund				
(KRS 164.7891(11))				

Osteopathic Medicine	440,000	440,000	350,000	350,000
Repayment Fund				
(KRS 164.7891(11))				

<b>TOTAL</b>	<b>830,000</b>	<b>830,000</b>	<b>350,000</b>	<b>350,000</b>
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**Kentucky Higher Education Assistance Authority**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"College Access Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$58,427,800 in fiscal year 2006-2007 and \$60,262,000 in fiscal year 2007-2008 for the College Access Program."

**"Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$29,170,100 in fiscal year 2006-2007 and \$30,085,900 in fiscal year 2007-2008 for the Kentucky Tuition Grant Program."

**"Teacher Scholarship Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$1,777,100 in fiscal year 2006-2007 and \$1,777,100 in fiscal year 2007-2008 for the Teacher Scholarship Program."

**"Tobacco Settlement Funds:** Included in the above General Fund (Tobacco) appropriation is \$800,000 in fiscal year 2006-2007 and \$900,000 in fiscal year 2007-2008 for Early Childhood Scholarships."

**"Need-Based Financial Aid for Students from Coal Counties:** Included in the above General Fund appropriation is \$5,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008 for need-based scholarships for students from coal-producing counties."

**"Kentucky National Guard Tuition Assistance Program:** Included in the above Restricted Funds appropriation is \$4,500,000 in fiscal year 2006-2007 and \$5,220,000 in fiscal year 2007-2008 for the Kentucky National Guard Tuition Assistance Program."

**"Kentucky Education Excellence Scholarships (KEES):** Included in the above General Fund appropriation is \$73,125,000 in fiscal year 2006-2007 and \$75,375,000 in fiscal year 2007-2008 from net lottery receipts for the Kentucky Educational Excellence Scholarships (KEES). An additional \$2,190,300 is provided in fiscal year 2007-2008 from the General Fund to supplement the lottery funds for the Kentucky Educational Excellence Scholarships. Included in the above Restricted Funds appropriation for KEES is \$14,909,100 in fiscal year 2006-2007 and \$11,345,800 in fiscal year 2007-2008."

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The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Osteopathic Medicine Scholarship Trust Fund, Restricted Funds of \$390,000 in fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Osteopathic Medicine Repayment Fund, Restricted Funds of \$440,000 in fiscal year 2005-2006 and \$350,000 in fiscal year 2006-2007.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, C. Early Childhood Development, 3. Postsecondary Education, a. Kentucky Higher Education Assistance Authority includes General Fund (Tobacco) appropriation of \$800,000 in fiscal year 2006-2007 and \$900,000 in fiscal year 2007-2008 for Early Childhood Scholarships.

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Budget Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, additional General Fund support in the amount of \$2,190,300 in fiscal year 2007-2008 for the Kentucky Educational Excellence Scholarship (KEES) program.

The General Assembly provides in Part I, Operating Budget, additional General Fund support in the amount of \$1,100,000 in fiscal year 2006-2007 and \$2,390,000 in fiscal year 2007-2008 for the Kentucky Tuition Grant (KTG) program.

The General Assembly provides in Part I, Operating Budget, a General Fund appropriation in the amount of \$1,000,000 in fiscal year 2007-2008 for the Pharmacy Scholarship Program.

The General Assembly deletes in Part I, Operating Budget, General Fund appropriations in the amount of \$5,000,000 in fiscal year 2006-2007 and \$4,800,000 in fiscal year 2007-2008 for the College Access Program (CAP).

The General Assembly deletes in Part I, Operating Budget the following language provision:

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**Kentucky Higher Education Assistance Authority**

**"Need-Based Financial Aid for Students from Coal Counties:** Included in the above General Fund appropriation is \$5,000,000 in fiscal year 2006-2007 and \$5,000,000 in fiscal year 2007-2008 for need-based scholarships for students from coal-producing counties."

The General Assembly Part I, Operating Budget includes language provisions that direct:

**"Kentucky Tuition Grant Program:** Notwithstanding KRS 154A.130(4), included in the above General Fund appropriation is \$30,270,100 in fiscal year 2006-2007 and \$32,476,200 in fiscal year 2007-2008 for the Kentucky Tuition Grant Program. All grants shall be awarded pursuant to KRS 164.785, and the applicant must be accepted by or enrolled as a full-time student at a Kentucky independent college or university which is accredited by the Southern Association of Colleges and Schools."

**"Pharmacy Scholarship Program:** Included in the above General Fund appropriation is \$1,000,000 in fiscal year 2007-2008 for the Pharmacy Scholarship Program as set forth in Part XXIV, Pharmacy Scholarship Program, of this Act."

**"Transactions Involving Property and Assets:** Notwithstanding any statute to the contrary, the Kentucky Higher Education Assistance Authority and the Higher Education Student Loan Corporation either jointly or separately, shall obtain authorization from the General Assembly prior to entering into any agreement, transaction, or series of agreements which would result in the transfer of ownership or ultimate managerial decision-making authority regarding the control and investment performance of its property and assets. Nothing contained herein shall prohibit the Kentucky Higher Education Assistance Authority and the Higher Education Student Loan Corporation, either jointly or separately, from, in the usual and regular course of business, pledging or assigning their revenues and assets to: improve financial positions, secure obligations, satisfy pledge or trust agreements, or comply with an order of a court of competent jurisdiction."

The Governor of the Commonwealth vetoes, in part, the following:

Partial Veto # 15 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the . following part:*

Page 126, lines 3 through 5, in their entirety.

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**Kentucky Higher Education Assistance Authority**

*This part requires the Kentucky Higher Education Assistance Authority to award grants from the Kentucky Tuition Grant program only to postsecondary students that are accepted by or enrolled as a full-time student at a Kentucky independent college or university which is accredited by the Southern Association of Colleges and Schools. I am vetoing this part because there are currently 313 Kentucky students who are receiving grants from the Kentucky Tuition Grant program in total amounts exceeding \$600,000 who attend currently eligible institutions that are not accredited by Southern Association of Colleges and Schools. To be eligible to participate in the Kentucky Tuition Grant program, these institutions must be accredited by a regional accrediting association recognized by the United States Department of Education. By vetoing this part, I ensure that these students and other students who attend these institutions remain eligible to receive grants from the program as intended by current law."*

Partial Veto #16 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:*

Page 126, lines 25 through 27, in their entirety.

Page 127, lines 1 through 9, in their entirety.

*This part requires authorization from the General Assembly before the Kentucky Higher Education Assistance Authority and the Kentucky Higher Education Student Loan Corporation may enter into any agreements which would result in the transfer of ownership or ultimate managerial decision-making authority regarding the control and investment performance of their property and assets. This part would impair the agencies' ability to enter into contracts; could prevent the ability to outsource the servicing of the Kentucky Higher Education Student Loan Commission's loan portfolio; and would jeopardize the ongoing origination and sale of loans to the Alabama Higher Education Loan Corporation."*

**K - Postsecondary Education****Capital Budget****Kentucky Higher Education Assistance Authority**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>								
Restricted Funds								
Federal Funds			671,000	671,000				
<b>TOTAL CAPITAL</b>			<b>671,000</b>	<b>671,000</b>				

**II. CAPITAL PROJECTS****1          Louisville Office Lease**

PRJ075B1506

Restricted Funds

**Project Total****2          Upgrade Information Technology Systems**

PRJ075B1504

Federal Funds

671,000          671,000

**Project Total****671,000          671,000****TOTAL CAPITAL****671,000          671,000**

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## K - Postsecondary Education

## Operating Budget

## Eastern Kentucky University

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	77,470,800	77,470,800		77,881,200	77,924,000	42,800	75,963,700	80,230,200	4,266,500
Restricted Funds	128,912,300	128,912,300		139,565,300	139,565,300		144,065,300	144,065,300	
Federal Funds	57,172,800	57,172,800		57,172,800	57,172,800		57,172,800	57,172,800	
<b>Regular Total Funds</b>	<b>263,555,900</b>	<b>263,555,900</b>		<b>274,619,300</b>	<b>274,662,100</b>	<b>42,800</b>	<b>277,201,800</b>	<b>281,468,300</b>	<b>4,266,500</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>263,555,900</b>	<b>263,555,900</b>		<b>274,619,300</b>	<b>274,662,100</b>	<b>42,800</b>	<b>277,201,800</b>	<b>281,468,300</b>	<b>4,266,500</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	134,644,500	134,644,500		138,685,400	138,685,400		142,357,000	142,357,000	
Operating Expenses	125,063,400	125,063,400		132,903,700	132,946,500	42,800	134,376,000	138,642,500	4,266,500
Debt Service	3,848,000	3,848,000		3,030,200	3,030,200		468,800	468,800	
<b>TOTAL EXPENDITURES</b>	<b>263,555,900</b>	<b>263,555,900</b>		<b>274,619,300</b>	<b>274,662,100</b>	<b>42,800</b>	<b>277,201,800</b>	<b>281,468,300</b>	<b>4,266,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	77,470,800	77,470,800		76,653,000	76,653,000		74,091,600	74,091,600	
Restricted Funds	128,912,300	128,912,300		128,912,300	128,912,300		128,912,300	128,912,300	
Federal Funds	57,172,800	57,172,800		57,172,800	57,172,800		57,172,800	57,172,800	
<b>Regular Total Funds</b>	<b>263,555,900</b>	<b>263,555,900</b>		<b>262,738,100</b>	<b>262,738,100</b>		<b>260,176,700</b>	<b>260,176,700</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>263,555,900</b>	<b>263,555,900</b>		<b>262,738,100</b>	<b>262,738,100</b>		<b>260,176,700</b>	<b>260,176,700</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				1,228,200	1,271,000	42,800	1,872,100	6,138,600	4,266,500
Restricted Funds				10,653,000	10,653,000		15,153,000	15,153,000	
<b>TOTAL ADDITIONAL</b>				<b>11,881,200</b>	<b>11,924,000</b>	<b>42,800</b>	<b>17,025,100</b>	<b>21,291,600</b>	<b>4,266,500</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Base Funding</b>									
ABR4300001	Provides General Fund for base funding at the University.								
General Fund				1,228,200	1,271,000	42,800	1,872,100	6,138,600	4,266,500
<b>Project Total</b>				<b>1,228,200</b>	<b>1,271,000</b>	<b>42,800</b>	<b>1,872,100</b>	<b>6,138,600</b>	<b>4,266,500</b>
<b>2 GB Growth in Federal and Restricted Funds</b>									
ABR4300004	Provides Restricted and Federal Funds due to increase in enrollment, tuition and fees, grants, and contracts								
Restricted Funds				10,653,000	10,653,000		15,153,000	15,153,000	
<b>Project Total</b>				<b>10,653,000</b>	<b>10,653,000</b>		<b>15,153,000</b>	<b>15,153,000</b>	

**K - Postsecondary Education****Operating Budget****Eastern Kentucky University**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL ADDITIONAL</b>				<b>11,881,200</b>	<b>11,924,000</b>	<b>42,800</b>	<b>17,025,100</b>	<b>21,291,600</b>	<b>4,266,500</b>



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**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget includes General Fund appropriation of \$1,228,200 in fiscal year 2006-2007 and \$1,872,100 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Debt Service:** Included in the above General Fund appropriation is \$3,030,200 in fiscal year 2006-2007 and \$468,800 in fiscal year 2007-2008 for debt service for previously issued bonds."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Bill with the following changes:

The General Assembly provides in Part I, Operating Budget \$1,271,000 General Fund in fiscal year 2006-2007 and \$6,138,600 General Fund in fiscal year 2007-2008 for base funding.

The General Assembly adds in Part I, Operating Budget, language provisions that directs:

**"Community Operations Board:** Included in the above General Fund appropriation is \$200,000 in fiscal year 2006-2007 and \$200,000 in fiscal year 2007-2008 to provide funds to the Community Operations Board for personnel and programmatic operations of the conferencing, meeting, and community areas, and the performing arts center located in Business/Technology Center, Phase II. The Business/Technology Building, Phase II, shall be governed by the Community Operations Board. The Community Operations Board shall consist of 13 members to be appointed as follows: Six by the President of Eastern Kentucky University, four by the Madison County judge/executive, two by the mayor of the City of Richmond, and one by the mayor of the City of Berea. Three of the members appointed by the President of Eastern Kentucky University will serve two year terms and three will serve a one year term. Two of the members appointed by the Madison County judge/executive will serve two year terms and two will serve a one year term. One member appointed by the mayor of the City of Richmond will serve a two year term and one will serve a one year term. The member appointed by the mayor of the City of Berea will serve a two year term. Members of the board will serve without compensation and will not be reimbursed for expenses incurred in the performance of their duties. At the first meeting of the fiscal year, the board shall elect a chairman and a vice-chairman. The board will establish policies and procedures for board operations and for facility use. The board will make all decisions regarding use of the Business/Technology Building, Phase II, including the conferencing and community areas and the performing arts center and will make all decisions regarding personnel and programmatic operations of the conferencing and community areas and the

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performing arts center. The board is attached to Eastern Kentucky University for administrative purposes, and the university shall provide all facility maintenance and operations costs."

The General Assembly provides in Part II, Capital Budget, Bond Fund authorization of \$5,300,000 for the ECU/UK Dairy Research Project (Meadowbrook Farm).

The General Assembly provides in Part II, Capital Budget, Bond Fund authorization of \$54,108,000 in fiscal year 2006-2007 for construction of the Science Building.

The General Assembly provides in Part II, Capital Budget, Bond Fund authorization of \$3,500,000 in fiscal year 2006-2007 for the Manchester Postsecondary Education Center.

The Governor of the Commonwealth vetoes, in part the following:

Partial Veto #4 HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 176, lines 24 through 27, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures*

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*with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

Partial Veto #17 - *"I Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:*

Page 128, line 10, after the character "." delete "The board will make all". Page 128, lines 11 through 13, in their entirety.

Page 128, line 14, delete "community areas and the performing arts center."

*This part mandates that a Community Operations Board make all decisions regarding the use of the Business/Technology Building at Eastern Kentucky University. I am vetoing this part because it removes the responsibility for operations of Eastern Kentucky University facilities from the President and the Board of Regents where that responsibility properly resides. I am retaining the provision that establishes and sets membership of the Community Operations Board so that it may provide useful advice from the community to the University. for the operations of this facility."*

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**K - Postsecondary Education****Capital Budget****Eastern Kentucky University**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				1,300,000	1,300,000		1,500,000	1,500,000	
Bond Funds				5,121,000	57,608,000	52,487,000			
Agency Bonds				9,961,000		(9,961,000)			
Other Funds				4,000,000	4,000,000				
<b>TOTAL CAPITAL</b>				<b>20,382,000</b>	<b>62,908,000</b>	<b>42,526,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>EKU-UK Dairy Research Project (Meadowbrook Farm) (VETOED BY GOVERNOR)</b>								
PRJ4301619									
Bond Funds				5,121,000	5,300,000	(5,121,000)			
<b>Project Total</b>				<b>5,121,000</b>		<b>(5,121,000)</b>			
<b>2</b>	<b>Construct Science Building</b>								
PRJ4302571									
Bond Funds					54,108,000	54,108,000			
<b>Project Total</b>					<b>54,108,000</b>	<b>54,108,000</b>			
<b>3</b>	<b>Arlington Renovation and Addition</b>								
PRJ4302569									
Other Funds				4,000,000	4,000,000				
<b>Project Total</b>				<b>4,000,000</b>	<b>4,000,000</b>				
<b>4</b>	<b>Library Studio for Academic Creativity</b>								
PRJ4301621									
Restricted Funds							1,500,000	1,500,000	
<b>Project Total</b>							<b>1,500,000</b>	<b>1,500,000</b>	
<b>5</b>	<b>Expand Indoor Tennis Facility - Additional</b>								
PRJ4301607									
Restricted Funds				100,000	100,000				
<b>Project Total</b>				<b>100,000</b>	<b>100,000</b>				
<b>6</b>	<b>Expand and Renovate Presnell Building - Additional</b>								
PRJ4301606									
Restricted Funds				1,200,000	1,200,000				
<b>Project Total</b>				<b>1,200,000</b>	<b>1,200,000</b>				

**K - Postsecondary Education****Capital Budget****Eastern Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
7 Construct New Student Housing (VETOED BY GOVERNOR)								
PRJ4301618								
Agency Bonds			9,961,000	10,520,000	(9,961,000)			
Project Total			9,961,000		(9,961,000)			
8 Manchester Postsecondary Education Center								
PRJ4302573								
Bond Funds				3,500,000	3,500,000			
Project Total				3,500,000	3,500,000			
9 Construct E & G Life Safety Begley Elevator								
PRJ4301600								
Restricted Funds								
Project Total								
10 Construct Guaranteed Energy Savings Performance								
PRJ4301604								
Restricted Funds								
Project Total								
TOTAL CAPITAL			20,382,000	62,908,000	42,526,000	1,500,000	1,500,000	

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.

## K - Postsecondary Education

## Operating Budget

## Kentucky State University

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	25,248,300	25,248,300		27,000,700	27,500,700	500,000	27,180,900	28,349,000	1,168,100
Restricted Funds	23,375,700	23,375,700		23,375,700	23,375,700		23,375,700	23,375,700	
Federal Funds	14,296,000	14,296,000		14,296,000	14,296,000		14,296,000	14,296,000	
<b>Regular Total Funds</b>	<b>62,920,000</b>	<b>62,920,000</b>		<b>64,672,400</b>	<b>65,172,400</b>	<b>500,000</b>	<b>64,852,600</b>	<b>66,020,700</b>	<b>1,168,100</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>62,920,000</b>	<b>62,920,000</b>		<b>64,672,400</b>	<b>65,172,400</b>	<b>500,000</b>	<b>64,852,600</b>	<b>66,020,700</b>	<b>1,168,100</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	34,624,600	34,624,600		35,774,600	35,774,600		35,894,600	35,894,600	
Operating Expenses	25,142,600	25,142,600		25,726,300	26,226,300	500,000	25,771,400	26,939,500	1,168,100
Debt Service	1,462,400	1,462,400		1,481,100	1,481,100		1,496,200	1,496,200	
Capital Outlay	1,690,400	1,690,400		1,690,400	1,690,400		1,690,400	1,690,400	
<b>TOTAL EXPENDITURES</b>	<b>62,920,000</b>	<b>62,920,000</b>		<b>64,672,400</b>	<b>65,172,400</b>	<b>500,000</b>	<b>64,852,600</b>	<b>66,020,700</b>	<b>1,168,100</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	25,248,300	25,248,300		25,267,000	25,267,000		25,282,100	25,282,100	
Restricted Funds	23,375,700	23,375,700		23,375,700	23,375,700		23,375,700	23,375,700	
Federal Funds	14,296,000	14,296,000		14,296,000	14,296,000		14,296,000	14,296,000	
<b>Regular Total Funds</b>	<b>62,920,000</b>	<b>62,920,000</b>		<b>62,938,700</b>	<b>62,938,700</b>		<b>62,953,800</b>	<b>62,953,800</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>62,920,000</b>	<b>62,920,000</b>		<b>62,938,700</b>	<b>62,938,700</b>		<b>62,953,800</b>	<b>62,953,800</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				1,733,700	2,233,700	500,000	1,898,800	3,066,900	1,168,100
<b>TOTAL ADDITIONAL</b>				<b>1,733,700</b>	<b>2,233,700</b>	<b>500,000</b>	<b>1,898,800</b>	<b>3,066,900</b>	<b>1,168,100</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Kentucky State University - Base Funding</b>									
ABR4350004 Provides General Fund for base increase at the University.									
General Fund				1,733,700	1,733,700		1,898,800	2,566,900	668,100
<b>Project Total</b>				<b>1,733,700</b>	<b>1,733,700</b>		<b>1,898,800</b>	<b>2,566,900</b>	<b>668,100</b>
<b>2 NEW Blazer Library</b>									
ABR4350014 Provides General Fund for books and periodicals at Blazer Library.									
General Fund					500,000	500,000		500,000	500,000
<b>Project Total</b>					<b>500,000</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>

**K - Postsecondary Education****Operating Budget****Kentucky State University**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL ADDITIONAL</b>				<b>1,733,700</b>	<b>2,233,700</b>	<b>500,000</b>	<b>1,898,800</b>	<b>3,066,900</b>	<b>1,168,100</b>



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**Kentucky State University**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget includes General Fund appropriation in the amount of \$1,733,700 in fiscal year 2006-2007 and \$1,898,800 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

**"Debt Service:** Included in the above General Fund appropriation is \$892,200 in fiscal year 2006-2007 and \$907,300 in fiscal year 2007-2008 for debt service for previously issued bonds."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Budget Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriation in the amount of \$1,733,700 in fiscal year 2006-2007 and \$2,566,900 2007-2008 for base funding

The General Assembly amends the Branch Budget Bill, Part I, Operating Budget, to include the following language provisions:

**"Blazer Library:** Included in the above General Fund appropriations is \$500,000 in fiscal year 2006-2007 and \$500,000 in fiscal year 2007-2008 to purchase books and publications for Blazer Library."

The General Assembly provides in Part II, Capital Budget, additional Bond Fund authorization of \$213,000 in fiscal year 2006-2007 for the renovation of Hathaway Hall, Phase III.

The General Assembly provides in Part II, Capital Budget, Bond Fund authorization of \$4,900,000 in fiscal year 2006-2007 for expansion and renovation of the Betty White Nursing Building.

The General Assembly provides in Part II, Capital Budget, authorization of Other Funds in fiscal year 2006-2007 of \$20,000,000 for construction of a new residence hall.

The General Assembly provides in Part II, Capital Budget, Agency Bond authorization of \$7,000,000 in fiscal year 2006-2007 for construction of a Parking Structure.

**Fiscal Biennium 2006-2008  
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**Kentucky State University**

The Governor of the Commonwealth vetoes, in part, the following:

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 178, line 27, in its entirety.

Page 179, line 1, in its entirety.

Page 179, lines 6 through 7, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

**K - Postsecondary Education****Capital Budget****Kentucky State University**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				10,876,000	10,876,000				
Federal Funds				9,295,000	9,295,000				
Bond Funds				4,707,000	4,920,000	213,000			
Other Funds					20,000,000	20,000,000	6,500,000	6,500,000	
<b>TOTAL CAPITAL</b>				<b>24,878,000</b>	<b>45,091,000</b>	<b>20,213,000</b>	<b>6,500,000</b>	<b>6,500,000</b>	
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Renovate Hathaway Hall Phase III</b>								
PRJ4351625									
Bond Funds				4,707,000	4,920,000	213,000			
<b>Project Total</b>				<b>4,707,000</b>	<b>4,920,000</b>	<b>213,000</b>			
<b>2</b>	<b>Expand and Renovate Betty White Nursing Building (VETOED BY GOVERNOR)</b>								
PRJ4352582									
Bond Funds					4,900,000				
<b>Project Total</b>									
<b>3</b>	<b>Construct Parking Structure (VETOED BY GOVERNOR)</b>								
PRJ4351626									
Agency Bonds					7,000,000				
<b>Project Total</b>									
<b>4</b>	<b>Construct New Residence Hall</b>								
PRJ4351633									
Other Funds					20,000,000	20,000,000			
<b>Project Total</b>					<b>20,000,000</b>	<b>20,000,000</b>			
<b>5</b>	<b>Renovate Jackson Hall</b>								
PRJ4351622									
Restricted Funds				140,000	140,000				
Federal Funds				1,488,000	1,488,000				
<b>Project Total</b>				<b>1,628,000</b>	<b>1,628,000</b>				

**K - Postsecondary Education****Capital Budget****Kentucky State University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008			
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
6 Upgrade Online Infrastructure									
PRJ4351631									
Restricted Funds				2,190,000	2,190,000				
Project Total				2,190,000	2,190,000				
7 Upgrade Online Security									
PRJ4351627									
Restricted Funds				1,500,000	1,500,000				
Project Total				1,500,000	1,500,000				
8 Replace Online Voice - Centrex									
PRJ4351632									
Restricted Funds				587,000	587,000				
Project Total				587,000	587,000				
9 Roof Repair & Replacement Pool									
PRJ4351629									
Restricted Funds				1,520,000	1,520,000				
Federal Funds				400,000	400,000				
Project Total				1,920,000	1,920,000				
10 Life Safety Upgrade Pool									
PRJ4351637									
Restricted Funds				1,040,000	1,040,000				
Project Total				1,040,000	1,040,000				
11 Capital Renewal Pool									
PRJ4351638									
Restricted Funds				1,899,000	1,899,000				
Project Total				1,899,000	1,899,000				
12 Construct Aquaculture Production Tech Lab									
PRJ4352578									
Restricted Funds				1,000,000	1,000,000				
Federal Funds				200,000	200,000				
Project Total				1,200,000	1,200,000				

**K - Postsecondary Education****Capital Budget****Kentucky State University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>13 Expand Aquaculture Pond Facilities</b>								
PRJ4351630								
Federal Funds			1,430,000	1,430,000				
<b>Project Total</b>			<b>1,430,000</b>	<b>1,430,000</b>				
<b>14 Create Center for Families and Children</b>								
PRJ4351636								
Federal Funds			2,022,000	2,022,000				
<b>Project Total</b>			<b>2,022,000</b>	<b>2,022,000</b>				
<b>15 Construct Center for Training &amp; Learning</b>								
PRJ4351635								
Federal Funds			2,755,000	2,755,000				
<b>Project Total</b>			<b>2,755,000</b>	<b>2,755,000</b>				
<b>16 Acquire Property Related to Master Plan</b>								
PRJ4352577								
Restricted Funds			1,000,000	1,000,000				
Federal Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>17 Construct New Young Hall - Phase II</b>								
PRJ4352580								
Other Funds						6,500,000	6,500,000	
<b>Project Total</b>						<b>6,500,000</b>	<b>6,500,000</b>	
<b>18 Guaranteed Energy Savings Performance Contracts</b>								
PRJ4352579								
Other Funds								
<b>Project Total</b>								
<b>TOTAL CAPITAL</b>			<b>24,878,000</b>	<b>45,091,000</b>	<b>20,213,000</b>	<b>6,500,000</b>	<b>6,500,000</b>	

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.

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## K - Postsecondary Education

## Operating Budget

## Morehead State University

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	44,839,500	44,839,500		45,441,700	45,462,600	20,900	44,843,600	48,697,600	3,854,000
Restricted Funds	58,868,500	58,868,500		62,467,400	62,467,400		62,754,000	62,754,000	
Federal Funds	54,914,900	54,914,900		51,201,000	51,201,000		50,897,700	50,897,700	
<b>Regular Total Funds</b>	<b>158,622,900</b>	<b>158,622,900</b>		<b>159,110,100</b>	<b>159,131,000</b>	<b>20,900</b>	<b>158,495,300</b>	<b>162,349,300</b>	<b>3,854,000</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>158,622,900</b>	<b>158,622,900</b>		<b>159,110,100</b>	<b>159,131,000</b>	<b>20,900</b>	<b>158,495,300</b>	<b>162,349,300</b>	<b>3,854,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	70,658,700	70,658,700		71,106,600	71,106,600		71,215,100	71,215,100	
Operating Expenses	23,746,900	23,746,900		23,003,300	23,024,200	20,900	22,992,200	26,846,200	3,854,000
Grants, Loans, Benefits	51,198,300	51,198,300		51,421,100	51,421,100		51,650,600	51,650,600	
Debt Service	4,565,600	4,565,600		4,721,600	4,721,600		3,807,600	3,807,600	
Capital Outlay	8,453,400	8,453,400		8,857,500	8,857,500		8,829,800	8,829,800	
<b>TOTAL EXPENDITURES</b>	<b>158,622,900</b>	<b>158,622,900</b>		<b>159,110,100</b>	<b>159,131,000</b>	<b>20,900</b>	<b>158,495,300</b>	<b>162,349,300</b>	<b>3,854,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	44,839,500	44,839,500		44,837,800	44,837,800		43,923,800	43,923,800	
Restricted Funds	58,868,500	58,868,500		62,467,400	62,467,400		62,754,000	62,754,000	
Federal Funds	54,914,900	54,914,900		51,201,000	51,201,000		50,897,700	50,897,700	
<b>Regular Total Funds</b>	<b>158,622,900</b>	<b>158,622,900</b>		<b>158,506,200</b>	<b>158,506,200</b>		<b>157,575,500</b>	<b>157,575,500</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>158,622,900</b>	<b>158,622,900</b>		<b>158,506,200</b>	<b>158,506,200</b>		<b>157,575,500</b>	<b>157,575,500</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				603,900	624,800	20,900	919,800	4,773,800	3,854,000
<b>TOTAL ADDITIONAL</b>				<b>603,900</b>	<b>624,800</b>	<b>20,900</b>	<b>919,800</b>	<b>4,773,800</b>	<b>3,854,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Base Funding</b>									
ABR4400001	Provide General Fund for a base increase at the University.								
General Fund				603,900	624,800	20,900	919,800	4,773,800	3,854,000
<b>Project Total</b>				<b>603,900</b>	<b>624,800</b>	<b>20,900</b>	<b>919,800</b>	<b>4,773,800</b>	<b>3,854,000</b>
<b>TOTAL ADDITIONAL</b>				<b>603,900</b>	<b>624,800</b>	<b>20,900</b>	<b>919,800</b>	<b>4,773,800</b>	<b>3,854,000</b>

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**Morehead State University**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget, provides General Fund appropriation of \$603,900 in fiscal year 2006-2007 and \$919,800 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

**"Debt Service:** Included in the above General Fund appropriation is \$1,409,500 in fiscal year 2006-2007 and \$495,500 in fiscal year 2007-2008 for debt service for previously issued bonds."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Budget Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriation of \$624,800 in fiscal year 2006-2007 and \$4,733,800 in fiscal year 2007-2008 for base funding.

The General Assembly deletes in Part II, Capital Budget, Federal Funds authorization of \$5,000,000 in fiscal year 2006-2007 for the Center for Health, Education, and Research.

The General Assembly provides in Part II, Capital Budget, additional Bond Funds authorization of \$8,000,000 in fiscal year 2006-2007 for construction of the Center for Health, Education, and Research.

The General Assembly provides in Part II, Capital Budget, Bond Funds authorization of \$2,500,000 in fiscal year 2006-2007 for construction of the Business Continuance Datacenter.

The General Assembly provides in Part II, Capital Budget, Bond Funds authorization of \$3,400,000 in fiscal year 2006-2007 for the Space Science Center.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$17,000,000 in fiscal year 2006-2007 for construction of the Student Recreation Center.



**Fiscal Biennium 2006-2008  
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**Morehead State University**

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$10,000,000 in fiscal year 2006-2007 for the renovation of Student Housing Facilities.

The Governor of the Commonwealth vetoes, in part , the following:

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 181, lines 10 through 13, in their entirety.

Page 181, lines 16 through 17, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

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**K - Postsecondary Education****Capital Budget****Morehead State University**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				60,529,000	61,598,000	1,069,000	4,850,000	4,850,000	
Federal Funds				18,215,000	13,215,000	(5,000,000)			
Bond Funds				15,000,000	26,400,000	11,400,000			
<b>TOTAL CAPITAL</b>				<b>93,744,000</b>	<b>101,213,000</b>	<b>7,469,000</b>	<b>4,850,000</b>	<b>4,850,000</b>	
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Construct Center for Health, Education, and Research</b>								
PRJ4401694									
Federal Funds				5,000,000		(5,000,000)			
Bond Funds				15,000,000	23,000,000	8,000,000			
<b>Project Total</b>				<b>20,000,000</b>	<b>23,000,000</b>	<b>3,000,000</b>			
<b>2</b>	<b>Space Science Center, Completion</b>								
PRJ4402568									
Bond Funds					3,400,000	3,400,000			
<b>Project Total</b>					<b>3,400,000</b>	<b>3,400,000</b>			
<b>3</b>	<b>Construct Business Continuanace Datacenter (VETOED BY GOVERNOR)</b>								
PRJ4402566									
Bond Funds					2,500,000				
<b>Project Total</b>									
<b>4</b>	<b>Construct Student Recreation Center (VETOED BY GOVERNOR)</b>								
PRJ4402570									
Agency Bonds					17,000,000				
<b>Project Total</b>									
<b>5</b>	<b>Renovate Student Housing Facilities (VETOED BY GOVERNOR)</b>								
PRJ4402572									
Agency Bonds					10,000,000				
<b>Project Total</b>									
<b>6</b>	<b>Construct East Kentucky Animal Science Center</b>								
PRJ4401691									
Federal Funds				8,000,000	8,000,000				
<b>Project Total</b>				<b>8,000,000</b>	<b>8,000,000</b>				

**K - Postsecondary Education****Capital Budget****Morehead State University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>7 Construct Law Enforcement Complex</b>								
PRJ4401661								
Federal Funds			5,215,000	5,215,000				
<b>Project Total</b>			<b>5,215,000</b>	<b>5,215,000</b>				
<b>8 Capital Renewal and Maintenance Pool-Educational &amp;General</b>								
PRJ4401693								
Restricted Funds			3,480,000	3,480,000				
<b>Project Total</b>			<b>3,480,000</b>	<b>3,480,000</b>				
<b>9 Construct Molecular Biology Student Lab</b>								
PRJ4401700								
Restricted Funds			474,000	474,000				
<b>Project Total</b>			<b>474,000</b>	<b>474,000</b>				
<b>10 Major Item of Equipment Pool</b>								
PRJ4402562								
Restricted Funds			2,752,000	2,752,000		3,400,000	3,400,000	
<b>Project Total</b>			<b>2,752,000</b>	<b>2,752,000</b>		<b>3,400,000</b>	<b>3,400,000</b>	
<b>11 Renovate Button Auditorium</b>								
PRJ4401643								
Restricted Funds			3,000,000	3,000,000				
<b>Project Total</b>			<b>3,000,000</b>	<b>3,000,000</b>				
<b>12 Upgrade Instruct. PCs/LANS/Peripherals</b>								
PRJ4401655								
Restricted Funds			5,000,000	5,000,000				
<b>Project Total</b>			<b>5,000,000</b>	<b>5,000,000</b>				
<b>13 Upgrade Administrative Office Systems</b>								
PRJ4401656								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				
<b>14 Enhance Network/Infrastructure Resources</b>								
PRJ4401653								
Restricted Funds			4,750,000	4,750,000				
<b>Project Total</b>			<b>4,750,000</b>	<b>4,750,000</b>				

**K - Postsecondary Education****Capital Budget****Morehead State University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>15 Enhance Library Automation Resources</b>								
PRJ4401654								
Restricted Funds			670,000	670,000				
<b>Project Total</b>			<b>670,000</b>	<b>670,000</b>				
<b>16 Expand Student Wellness Center</b>								
PRJ4401649								
Restricted Funds			1,200,000	1,200,000				
<b>Project Total</b>			<b>1,200,000</b>	<b>1,200,000</b>				
<b>17 Renovate John Sonny Allen Field</b>								
PRJ4401659								
Restricted Funds			4,166,000	4,166,000				
<b>Project Total</b>			<b>4,166,000</b>	<b>4,166,000</b>				
<b>18 Construct Softball Facility/Lighting Project</b>								
PRJ4401697								
Restricted Funds			1,700,000	1,700,000				
<b>Project Total</b>			<b>1,700,000</b>	<b>1,700,000</b>				
<b>19 Renovate McClure Pool Area</b>								
PRJ4401698								
Restricted Funds			4,715,000	4,715,000				
<b>Project Total</b>			<b>4,715,000</b>	<b>4,715,000</b>				
<b>20 Reconstruct Central Campus</b>								
PRJ4401644								
Restricted Funds			780,000	780,000				
<b>Project Total</b>			<b>780,000</b>	<b>780,000</b>				
<b>21 Expand Life Safety: Claypool-Young Building</b>								
PRJ4401639								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>22 Acquire Land Related to Master Plan</b>								
PRJ4401646								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				

**K - Postsecondary Education****Capital Budget****Morehead State University**

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>23</b>	<b>Replace Power Plant Pollution Control System</b>									
PRJ4401689										
Restricted Funds					3,540,000	3,540,000				
<b>Project Total</b>					<b>3,540,000</b>	<b>3,540,000</b>				
<b>24</b>	<b>Replace Boiler Tubes</b>									
PRJ4401690										
Restricted Funds					800,000	800,000				
<b>Project Total</b>					<b>800,000</b>	<b>800,000</b>				
<b>25</b>	<b>Renovate Jayne Stadium</b>									
PRJ4401695										
Restricted Funds					8,400,000	8,400,000				
<b>Project Total</b>					<b>8,400,000</b>	<b>8,400,000</b>				
<b>26</b>	<b>Capital Renewal and Maintenance Pool-Auxiliary</b>									
PRJ4401692										
Restricted Funds					1,618,000	1,618,000				
<b>Project Total</b>					<b>1,618,000</b>	<b>1,618,000</b>				
<b>27</b>	<b>Comply with ADA - Auxiliary</b>									
PRJ4401641										
Restricted Funds					600,000	600,000		600,000	600,000	
<b>Project Total</b>					<b>600,000</b>	<b>600,000</b>		<b>600,000</b>	<b>600,000</b>	
<b>28</b>	<b>Upgrade and Expand Distance Learning</b>									
PRJ4401657										
Restricted Funds					1,500,000	1,500,000				
<b>Project Total</b>					<b>1,500,000</b>	<b>1,500,000</b>				
<b>29</b>	<b>Construct Kentucky Mountain Crafts Center</b>									
PRJ4401699										
Restricted Funds					5,434,000	5,434,000				
<b>Project Total</b>					<b>5,434,000</b>	<b>5,434,000</b>				
<b>30</b>	<b>Comply with ADA - Educational &amp; General</b>									
PRJ4401640										
Restricted Funds					850,000	850,000		850,000	850,000	
<b>Project Total</b>					<b>850,000</b>	<b>850,000</b>		<b>850,000</b>	<b>850,000</b>	

**K - Postsecondary Education****Capital Budget****Morehead State University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>31      Guaranteed Energy Savings Performance Contracts</b>								
PRJ4402561								
Restricted Funds								
<b>Project Total</b>								
<b>32      Construct Equine Hospital</b>								
PRJ4402574								
Restricted Funds				1,069,000	1,069,000			
<b>Project Total</b>				<b>1,069,000</b>	<b>1,069,000</b>			
<b>TOTAL CAPITAL</b>			<b>93,744,000</b>	<b>101,213,000</b>	<b>7,469,000</b>	<b>4,850,000</b>	<b>4,850,000</b>	

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.

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## K - Postsecondary Education

## Operating Budget

## Murray State University

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	54,954,200	54,954,200		55,260,200	55,278,600	18,400	53,667,500	56,068,700	2,401,200
Restricted Funds	69,071,500	69,071,500		74,587,600	74,587,600		79,864,500	79,864,500	
Federal Funds	14,886,900	14,886,900		14,886,900	14,886,900		14,886,900	14,886,900	
Regular Total Funds	138,912,600	138,912,600		144,734,700	144,753,100	18,400	148,418,900	150,820,100	2,401,200
Use of Continuing									
TOTAL FUNDS	138,912,600	138,912,600		144,734,700	144,753,100	18,400	148,418,900	150,820,100	2,401,200
II. EXPENDITURE CATEGORY									
Personnel Costs	86,752,100	86,752,100		90,263,600	90,263,600		92,133,000	92,133,000	
Operating Expenses	36,126,700	36,126,700		38,737,800	38,756,200	18,400	42,461,700	44,862,900	2,401,200
Grants, Loans, Benefits	6,682,900	6,682,900		6,682,900	6,682,900		6,682,900	6,682,900	
Debt Service	3,010,800	3,010,800		3,010,300	3,010,300		1,101,200	1,101,200	
Capital Outlay	6,340,100	6,340,100		6,040,100	6,040,100		6,040,100	6,040,100	
TOTAL EXPENDITURES	138,912,600	138,912,600		144,734,700	144,753,100	18,400	148,418,900	150,820,100	2,401,200
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	54,954,200	54,954,200		54,653,700	54,653,700		52,744,600	52,744,600	
Restricted Funds	69,071,500	69,071,500		69,071,500	69,071,500		69,071,500	69,071,500	
Federal Funds	14,886,900	14,886,900		14,886,900	14,886,900		14,886,900	14,886,900	
Regular Total Funds	138,912,600	138,912,600		138,612,100	138,612,100		136,703,000	136,703,000	
Use of Continuing									
TOTAL BASE LEVEL	138,912,600	138,912,600		138,612,100	138,612,100		136,703,000	136,703,000	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				606,500	624,900	18,400	922,900	3,324,100	2,401,200
Restricted Funds				5,516,100	5,516,100		10,793,000	10,793,000	
TOTAL ADDITIONAL				6,122,600	6,141,000	18,400	11,715,900	14,117,100	2,401,200
V. ADDITIONAL BUDGET ITEMS									
1 GB	Murray State University - Base Funding								
ABR4450001	Provide General Fund for a base increase at the University.								
General Fund				606,500	624,900	18,400	922,900	3,324,100	2,401,200
Project Total				606,500	624,900	18,400	922,900	3,324,100	2,401,200

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## K - Postsecondary Education

## Operating Budget

### Murray State University

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 GB Murray State University - Restricted Funds</b>								
ABR4450005 Provides Restricted Funds for increase in enrollment and tuition and fees								
Restricted Funds			5,516,100	5,516,100		10,793,000	10,793,000	
<b>Project Total</b>			<b>5,516,100</b>	<b>5,516,100</b>		<b>10,793,000</b>	<b>10,793,000</b>	
<b>TOTAL ADDITIONAL</b>			<b>6,122,600</b>	<b>6,141,000</b>	<b>18,400</b>	<b>11,715,900</b>	<b>14,117,100</b>	<b>2,401,200</b>

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Murray State University**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget includes General Fund appropriations of \$606,500 in fiscal year 2006-2007 and \$922,900 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Debt Service:** Included in the above General Fund appropriation is \$1,909,100 in fiscal year 2006-2007 for debt service for previously issued bonds."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Budget Bill with following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriation of \$624,900 in fiscal year 2006-2007 and \$3,324,100 in fiscal year 2007-2008 for base funding.

The General Assembly provides in Part II, Capital Budget, Bonds Funds of \$15,000,000 in fiscal year 2006-2007 for construction of the New Science Complete, Phase III.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$13,077,000 in fiscal year 2006-2007 for replacement of Richmond Hall.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$13,077,000 in fiscal year 2006-2007 for the Replacement of Franklin Hall.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$750,000 in fiscal year 2006-2007 for the Renovation of Curris Center T-Room.

The Governor of the Commonwealth vetoes, in part, the following:

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted*

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Murray State University**

*under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 183, lines 14 through 17, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

**K - Postsecondary Education****Capital Budget****Murray State University**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				48,900,000	48,900,000				
Bond Funds					15,000,000	15,000,000			
Agency Bonds				12,106,000	13,077,000	971,000			
<b>TOTAL CAPITAL</b>				<b>61,006,000</b>	<b>76,977,000</b>	<b>15,971,000</b>			
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Construct New Science Complex - Phase III</b>								
PRJ4451822									
Bond Funds					15,000,000	15,000,000			
<b>Project Total</b>					<b>15,000,000</b>	<b>15,000,000</b>			
<b>2</b>	<b>Residential College - Richmond Hall</b>								
PRJ4451712									
Agency Bonds				12,106,000	13,077,000	971,000			
<b>Project Total</b>				<b>12,106,000</b>	<b>13,077,000</b>	<b>971,000</b>			
<b>3</b>	<b>Replace Franklin Hall (VETOED BY GOVERNOR)</b>								
PRJ4451719									
Agency Bonds					13,077,000				
<b>Project Total</b>									
<b>4</b>	<b>Renovate Curris Ctr T'Room (VETOED BY GOVERNOR)</b>								
PRJ4451807									
Agency Bonds					750,000				
<b>Project Total</b>									
<b>5</b>	<b>Abate Asbestos: Housing &amp; Dining Pool</b>								
PRJ4451814									
Restricted Funds				276,000	276,000				
<b>Project Total</b>				<b>276,000</b>	<b>276,000</b>				
<b>6</b>	<b>Administrative Enterprise Resource Planning System</b>								
PRJ4451805									
Restricted Funds				8,000,000	8,000,000				
<b>Project Total</b>				<b>8,000,000</b>	<b>8,000,000</b>				

**K - Postsecondary Education****Capital Budget****Murray State University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>7 Campus Backbone 10 GigE Upgrade</b>								
PRJ4451806								
Restricted Funds			775,000	775,000				
<b>Project Total</b>			<b>775,000</b>	<b>775,000</b>				
<b>8 Complete Capital Renewal: Educational &amp; General Pool</b>								
PRJ4451815								
Restricted Funds			12,457,000	12,457,000				
<b>Project Total</b>			<b>12,457,000</b>	<b>12,457,000</b>				
<b>9 Complete Capital Renewal: Housing &amp; Dining Pool</b>								
PRJ4451816								
Restricted Funds			5,445,000	5,445,000				
<b>Project Total</b>			<b>5,445,000</b>	<b>5,445,000</b>				
<b>10 Complete Life Safety Projects: Educational &amp; General Pool</b>								
PRJ4451817								
Restricted Funds			590,000	590,000				
<b>Project Total</b>			<b>590,000</b>	<b>590,000</b>				
<b>11 Complete Life Safety Projects: Housing &amp; Dining Pool</b>								
PRJ4451818								
Restricted Funds			300,000	300,000				
<b>Project Total</b>			<b>300,000</b>	<b>300,000</b>				
<b>12 Complete ADA Compliance: Educational &amp; General Pool</b>								
PRJ4451811								
Restricted Funds			3,092,000	3,092,000				
<b>Project Total</b>			<b>3,092,000</b>	<b>3,092,000</b>				
<b>13 Complete ADA Compliance: Housing &amp; Dining Pool</b>								
PRJ4451812								
Restricted Funds			615,000	615,000				
<b>Project Total</b>			<b>615,000</b>	<b>615,000</b>				
<b>14 Construct Open-sided Stall Barn at Expo Center</b>								
PRJ4451810								
Restricted Funds			770,000	770,000				
<b>Project Total</b>			<b>770,000</b>	<b>770,000</b>				

**K - Postsecondary Education****Capital Budget****Murray State University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>15 Acquire Land</b>								
PRJ4451721								
Restricted Funds			501,000	501,000				
<b>Project Total</b>			<b>501,000</b>	<b>501,000</b>				
<b>16 Renovate Ordway Hall</b>								
PRJ4451738								
Restricted Funds			3,962,000	3,962,000				
<b>Project Total</b>			<b>3,962,000</b>	<b>3,962,000</b>				
<b>17 Centralized Technology Refresh Program</b>								
PRJ4451799								
Restricted Funds			2,600,000	2,600,000				
<b>Project Total</b>			<b>2,600,000</b>	<b>2,600,000</b>				
<b>18 Renovate Wells Hall Interior</b>								
PRJ4451777								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>19 Renovate Pogue Library</b>								
PRJ4451725								
Restricted Funds			4,000,000	4,000,000				
<b>Project Total</b>			<b>4,000,000</b>	<b>4,000,000</b>				
<b>20 Renovate White Hall HVAC System</b>								
PRJ4451707								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>21 Renovate A. Carman Pavilion - Phase II</b>								
PRJ4451808								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>22 Online Centralized Data Access / Warehouse</b>								
PRJ4451797								
Restricted Funds			520,000	520,000				
<b>Project Total</b>			<b>520,000</b>	<b>520,000</b>				

**K - Postsecondary Education****Capital Budget****Murray State University**

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>23</b>	<b>Construct Public Safety Building</b>									
PRJ4451766										
Restricted Funds					500,000	500,000				
<b>Project Total</b>					<b>500,000</b>	<b>500,000</b>				
<b>24</b>	<b>Telephone Switching System</b>									
PRJ4451795										
Restricted Funds					1,975,000	1,975,000				
<b>Project Total</b>					<b>1,975,000</b>	<b>1,975,000</b>				
<b>25</b>	<b>Central Processing Computer System Upgrade</b>									
PRJ4451798										
Restricted Funds					522,000	522,000				
<b>Project Total</b>					<b>522,000</b>	<b>522,000</b>				
<b>26</b>	<b>Guaranteed Energy Savings Performance Contracts</b>									
PRJ4451826										
Bond Funds										
<b>Project Total</b>										
<b>TOTAL CAPITAL</b>					<b>61,006,000</b>	<b>76,977,000</b>	<b>15,971,000</b>			

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.



## K - Postsecondary Education

## Operating Budget

## Northern Kentucky University

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	51,333,500	51,333,500		53,115,900	53,876,000	760,100	48,974,500	55,330,000	6,355,500
Restricted Funds	106,736,800	106,736,800		112,204,400	112,204,400		118,886,200	118,886,200	
Federal Funds	13,831,400	13,831,400		14,331,400	14,331,400		14,331,400	14,331,400	
<b>Regular Total Funds</b>	<b>171,901,700</b>	<b>171,901,700</b>		<b>179,651,700</b>	<b>180,411,800</b>	<b>760,100</b>	<b>182,192,100</b>	<b>188,547,600</b>	<b>6,355,500</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>171,901,700</b>	<b>171,901,700</b>		<b>179,651,700</b>	<b>180,411,800</b>	<b>760,100</b>	<b>182,192,100</b>	<b>188,547,600</b>	<b>6,355,500</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	97,843,500	97,843,500		102,676,600	102,676,600		107,443,700	107,443,700	
Operating Expenses	31,048,000	31,048,000		32,072,300	32,832,400	760,100	32,762,700	39,118,200	6,355,500
Grants, Loans, Benefits	27,193,200	27,193,200		28,804,100	28,804,100		30,669,900	30,669,900	
Debt Service	5,063,500	5,063,500		5,345,200	5,345,200		562,300	562,300	
Capital Outlay	10,753,500	10,753,500		10,753,500	10,753,500		10,753,500	10,753,500	
<b>TOTAL EXPENDITURES</b>	<b>171,901,700</b>	<b>171,901,700</b>		<b>179,651,700</b>	<b>180,411,800</b>	<b>760,100</b>	<b>182,192,100</b>	<b>188,547,600</b>	<b>6,355,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	51,333,500	51,333,500		51,615,300	51,615,300		46,832,400	46,832,400	
Restricted Funds	106,736,800	106,736,800		112,204,400	112,204,400		118,886,200	118,886,200	
Federal Funds	13,831,400	13,831,400		14,331,400	14,331,400		14,331,400	14,331,400	
<b>Regular Total Funds</b>	<b>171,901,700</b>	<b>171,901,700</b>		<b>178,151,100</b>	<b>178,151,100</b>		<b>180,050,000</b>	<b>180,050,000</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>171,901,700</b>	<b>171,901,700</b>		<b>178,151,100</b>	<b>178,151,100</b>		<b>180,050,000</b>	<b>180,050,000</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				1,500,600	2,260,700	760,100	2,142,100	8,497,600	6,355,500
<b>TOTAL ADDITIONAL</b>				<b>1,500,600</b>	<b>2,260,700</b>	<b>760,100</b>	<b>2,142,100</b>	<b>8,497,600</b>	<b>6,355,500</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Northern Kentucky University - Base Funding</b>									
ABR4500001 Provides General Fund for a base increase at the University.									
General Fund				1,500,600	1,260,700	(239,900)	2,142,100	6,997,600	4,855,500
<b>Project Total</b>				<b>1,500,600</b>	<b>1,260,700</b>	<b>(239,900)</b>	<b>2,142,100</b>	<b>6,997,600</b>	<b>4,855,500</b>
<b>2 NEW Center for Mathematics</b>									
ABR4500008 Provides funding for the Center for Mathematics.									
General Fund					1,000,000	1,000,000		1,500,000	1,500,000
<b>Project Total</b>					<b>1,000,000</b>	<b>1,000,000</b>		<b>1,500,000</b>	<b>1,500,000</b>

## FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## K - Postsecondary Education

## Operating Budget

## Northern Kentucky University

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
TOTAL ADDITIONAL				1,500,600	2,260,700	760,100	2,142,100	8,497,600	6,355,500

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Northern Kentucky University**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget includes \$1,500,800 in fiscal year 2006-2007 and \$641,400 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Debt Service:** Included in the above General Fund appropriation is \$5,013,300 in fiscal year 2006-2007 and \$230,500 in fiscal year 2007-2008 for debt service for previously issued bonds."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund support of \$1,260,700 in fiscal year 2006-2007 and \$6,997,600 in fiscal year 2007-2008 for base funding.

The General Assembly adds in Part I, Operating Budget, General Fund support of \$1,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 for the Mathematics Achievement Center.

The General Assembly adds in Part I, Operating Budget, language provisions as follows:

**"Mathematics Achievement Center:** Included in the above General Fund appropriation is \$1,000,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 for the Mathematics Achievement Center."

The General Assembly deletes in Part II, Capital Budget, Bond Funds authorization of \$14,192,000 in fiscal year 2006-2007 for the renovation of the Old Science Building.

The General Assembly adds in Part II, Capital Budget, Bond Funds authorization of \$35,500,000 in fiscal year 2006-2007 for the construction of the Center for Informatics.

The General Assembly adds in Part II, Capital Budget Agency Bonds authorization of \$23,000,000 in fiscal year 2006-2007 for the construction of Student Housing.

**Fiscal Biennium 2006-2008  
Budget Modification Report**

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**Northern Kentucky University**

The General Assembly adds in Part II, Capital Budget, Bond Fund authorization of \$15,400,000 in fiscal year 2006-2007 for the construction of Parking Garage #3.

The General Assembly adds in Part II, Capital Budget, Agency Bonds authorization of \$1,400,000 in fiscal year 2006-2007 for the Expansion of Norse Commons.

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 185, lines 21 through 24, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

**K - Postsecondary Education****Capital Budget****Northern Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>								
Restricted Funds			69,670,000	69,670,000				
Bond Funds			14,192,000	35,500,000	21,308,000			
Agency Bonds			17,360,000	32,760,000	15,400,000			
Other Funds			13,300,000	13,300,000				
<b>TOTAL CAPITAL</b>			<b>114,522,000</b>	<b>151,230,000</b>	<b>36,708,000</b>			
<b>II. CAPITAL PROJECTS</b>								
<b>1</b>	<b>Construct Center for Informatics</b>							
PRJ4501850								
Bond Funds				35,500,000	35,500,000			
<b>Project Total</b>				<b>35,500,000</b>	<b>35,500,000</b>			
<b>2</b>	<b>Renovate Old Science Building</b>							
PRJ4501825								
Bond Funds			14,192,000		(14,192,000)			
<b>Project Total</b>			<b>14,192,000</b>		<b>(14,192,000)</b>			
<b>3</b>	<b>Construct Student Housing (VETOED BY GOVERNOR)</b>							
PRJ4501876								
Agency Bonds				23,000,000				
<b>Project Total</b>								
<b>4</b>	<b>Construct New Student Union</b>							
PRJ4501832								
Agency Bonds			17,360,000	17,360,000				
<b>Project Total</b>			<b>17,360,000</b>	<b>17,360,000</b>				
<b>5</b>	<b>Construct Parking Garage #3</b>							
PRJ4501875								
Agency Bonds				15,400,000	15,400,000			
<b>Project Total</b>				<b>15,400,000</b>	<b>15,400,000</b>			
<b>6</b>	<b>Expand Norse Commons (VETOED BY GOVERNOR)</b>							
PRJ4501877								
Agency Bonds				1,400,000				
<b>Project Total</b>								

**K - Postsecondary Education****Capital Budget****Northern Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>7 Replace Elevators Landrum Hall/Lucas Administration Center</b>								
PRJ4501841								
Restricted Funds			990,000	990,000				
<b>Project Total</b>			<b>990,000</b>	<b>990,000</b>				
<b>8 Replace Power Distribution Infrastructure</b>								
PRJ4501833								
Restricted Funds			4,800,000	4,800,000				
<b>Project Total</b>			<b>4,800,000</b>	<b>4,800,000</b>				
<b>9 Renovate University Center</b>								
PRJ4501827								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>10 Repair Structural Floor Heaving/E&amp;G Buildings</b>								
PRJ4501834								
Restricted Funds			4,000,000	4,000,000				
<b>Project Total</b>			<b>4,000,000</b>	<b>4,000,000</b>				
<b>11 Acquire Land/Campus Master Plan 2006-2008</b>								
PRJ4501826								
Restricted Funds			6,000,000	6,000,000				
<b>Project Total</b>			<b>6,000,000</b>	<b>6,000,000</b>				
<b>12 Restore Albright Health Center Roof</b>								
PRJ4501843								
Restricted Funds			680,000	680,000				
<b>Project Total</b>			<b>680,000</b>	<b>680,000</b>				
<b>13 Replace Business, Education, and Psychology Center Roof</b>								
PRJ4501842								
Restricted Funds			680,000	680,000				
<b>Project Total</b>			<b>680,000</b>	<b>680,000</b>				
<b>14 Relocate Early Childcare Center</b>								
PRJ4501845								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				

**K - Postsecondary Education****Capital Budget****Northern Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>15 Replace Air Handlers</b>								
PRJ4501840								
Restricted Funds			980,000	980,000				
<b>Project Total</b>			<b>980,000</b>	<b>980,000</b>				
<b>16 E&amp;G Minor Projects Pool (2006-2008)</b>								
PRJ4501854								
Restricted Funds			3,200,000	3,200,000				
<b>Project Total</b>			<b>3,200,000</b>	<b>3,200,000</b>				
<b>17 Replace E&amp;G Fire Alarm Systems</b>								
PRJ4501856								
Restricted Funds			1,400,000	1,400,000				
<b>Project Total</b>			<b>1,400,000</b>	<b>1,400,000</b>				
<b>18 Enhance Information Technology Infrastructure</b>								
PRJ4501837								
Restricted Funds			2,900,000	2,900,000				
<b>Project Total</b>			<b>2,900,000</b>	<b>2,900,000</b>				
<b>19 Enhance Instructional Information Technology</b>								
PRJ4501836								
Restricted Funds			3,800,000	3,800,000				
<b>Project Total</b>			<b>3,800,000</b>	<b>3,800,000</b>				
<b>20 Relocate Master Plan Infrastructure</b>								
PRJ4501829								
Restricted Funds			6,130,000	6,130,000				
<b>Project Total</b>			<b>6,130,000</b>	<b>6,130,000</b>				
<b>21 Acquire New Residence Hall</b>								
PRJ4501831								
Restricted Funds			10,000,000	10,000,000				
<b>Project Total</b>			<b>10,000,000</b>	<b>10,000,000</b>				
<b>22 Construct Soccer Stadium</b>								
PRJ4501844								
Restricted Funds			5,500,000	5,500,000				
<b>Project Total</b>			<b>5,500,000</b>	<b>5,500,000</b>				

**K - Postsecondary Education****Capital Budget****Northern Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>23 Replace Admin Application System Phase II</b>								
PRJ4501864								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>24 NKU Equipment Pool</b>								
PRJ4501867								
Restricted Funds			5,410,000	5,410,000				
<b>Project Total</b>			<b>5,410,000</b>	<b>5,410,000</b>				
<b>25 Enhance Softball Field</b>								
PRJ4501847								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>26 Housing/Minor Projects Pool</b>								
PRJ4501855								
Restricted Funds			2,200,000	2,200,000				
<b>Project Total</b>			<b>2,200,000</b>	<b>2,200,000</b>				
<b>27 Construct Intramural Fields</b>								
PRJ4501846								
Restricted Funds			1,900,000	1,900,000				
<b>Project Total</b>			<b>1,900,000</b>	<b>1,900,000</b>				
<b>28 Reconstruct Central Plaza Phase II</b>								
PRJ4501828								
Restricted Funds			4,900,000	4,900,000				
<b>Project Total</b>			<b>4,900,000</b>	<b>4,900,000</b>				
<b>29 Construct Alumni/Welcome Center</b>								
PRJ4501823								
Other Funds			7,800,000	7,800,000				
<b>Project Total</b>			<b>7,800,000</b>	<b>7,800,000</b>				
<b>30 Construct Track and Field Stadium</b>								
PRJ4501848								
Other Funds			5,500,000	5,500,000				
<b>Project Total</b>			<b>5,500,000</b>	<b>5,500,000</b>				



**K - Postsecondary Education****Capital Budget****Northern Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>31      Guaranteed Energy Savings Performance Contracts</b>								
PRJ4501879								
Restricted Funds								
<b>Project Total</b>								
<b>32      Kenton Co - Lease</b>								
PRJ4501878								
Restricted Funds								
<b>Project Total</b>								
<b>TOTAL CAPITAL</b>			<b>114,522,000</b>	<b>151,230,000</b>	<b>36,708,000</b>			

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.

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## K - Postsecondary Education

## Operating Budget

## University of Kentucky

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	314,302,200	314,302,200		318,113,200	318,567,900	454,700	315,764,700	335,016,500	19,251,800
Restricted Funds	1,184,527,400	1,184,527,400		1,238,551,300	1,238,551,300		1,298,127,600	1,298,377,600	250,000
Federal Funds	166,028,000	166,028,000		171,613,900	171,613,900		177,404,300	177,404,300	
<b>Regular Total Funds</b>	<b>1,664,857,600</b>	<b>1,664,857,600</b>		<b>1,728,278,400</b>	<b>1,728,733,100</b>	<b>454,700</b>	<b>1,791,296,600</b>	<b>1,810,798,400</b>	<b>19,501,800</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>1,664,857,600</b>	<b>1,664,857,600</b>		<b>1,728,278,400</b>	<b>1,728,733,100</b>	<b>454,700</b>	<b>1,791,296,600</b>	<b>1,810,798,400</b>	<b>19,501,800</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	897,695,400	897,695,400		928,103,800	928,103,800		959,213,000	959,213,000	
Operating Expenses	601,027,600	601,027,600		635,177,800	635,632,500	454,700	671,763,900	691,265,700	19,501,800
Grants, Loans, Benefits	77,859,200	77,859,200		78,059,200	78,059,200		78,059,200	78,059,200	
Debt Service	33,025,000	33,025,000		31,687,200	31,687,200		27,010,100	27,010,100	
Capital Outlay	55,250,400	55,250,400		55,250,400	55,250,400		55,250,400	55,250,400	
<b>TOTAL EXPENDITURES</b>	<b>1,664,857,600</b>	<b>1,664,857,600</b>		<b>1,728,278,400</b>	<b>1,728,733,100</b>	<b>454,700</b>	<b>1,791,296,600</b>	<b>1,810,798,400</b>	<b>19,501,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	314,302,200	314,302,200		312,964,400	312,964,400		308,287,300	308,287,300	
Restricted Funds	1,184,527,400	1,184,527,400		1,184,527,400	1,184,527,400		1,184,527,400	1,184,527,400	
Federal Funds	166,028,000	166,028,000		166,028,000	166,028,000		166,028,000	166,028,000	
<b>Regular Total Funds</b>	<b>1,664,857,600</b>	<b>1,664,857,600</b>		<b>1,663,519,800</b>	<b>1,663,519,800</b>		<b>1,658,842,700</b>	<b>1,658,842,700</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>1,664,857,600</b>	<b>1,664,857,600</b>		<b>1,663,519,800</b>	<b>1,663,519,800</b>		<b>1,658,842,700</b>	<b>1,658,842,700</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				5,148,800	5,603,500	454,700	7,477,400	26,729,200	19,251,800
Restricted Funds				54,023,900	54,023,900		113,600,200	113,850,200	250,000
Federal Funds				5,585,900	5,585,900		11,376,300	11,376,300	
<b>TOTAL ADDITIONAL</b>				<b>64,758,600</b>	<b>65,213,300</b>	<b>454,700</b>	<b>132,453,900</b>	<b>151,955,700</b>	<b>19,501,800</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB</b>	<b>University of Kentucky -Base Funding</b>								
ABR4550003	Provides General Fund for a base increase at the University.								
General Fund				4,448,800	4,603,500	154,700	6,777,400	25,479,200	18,701,800
<b>Project Total</b>				<b>4,448,800</b>	<b>4,603,500</b>	<b>154,700</b>	<b>6,777,400</b>	<b>25,479,200</b>	<b>18,701,800</b>

## K - Postsecondary Education

## Operating Budget

## University of Kentucky

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 EXPAN University of Kentucky - Mining Engineering Scholarship Program</b>								
ABR4550005	Provides General Fund from Coal Severance funds to support scholarships for the increase number of Mining Engineering students.							
General Fund			200,000	200,000		200,000	200,000	
<b>Project Total</b>			<b>200,000</b>	<b>200,000</b>		<b>200,000</b>	<b>200,000</b>	
<b>3 NEW Governor Fitness Program</b>								
ABR4550006	Provides General Fund for the Governor Fitness Program throughout the Commonwealth through the UK Cooperative Extension Service.							
General Fund			500,000	500,000		500,000	500,000	
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>	
<b>4 EXPAN Center for Research on Violence Against Women</b>								
ABR4550021	Provides General Fund in each year of the biennium for the Center for Research on Violence Against Women.							
General Fund				150,000	150,000		150,000	150,000
<b>Project Total</b>				<b>150,000</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>
<b>5 EXPAN Kentucky Geological Survey</b>								
ABR4550022	Provides General Fund and Restricted Funds for the Kentucky Geological Survey.							
General Fund							250,000	250,000
Restricted Funds							250,000	250,000
<b>Project Total</b>							<b>500,000</b>	<b>500,000</b>
<b>6 NEW Adolescent Medicine and Young Parent Program, and Rape Crisis Center</b>								
ABR4550026	Provides General Fund for the Adolescent Medicine and Young Parent Program and the Rape Crisis Center							
General Fund				150,000	150,000		150,000	150,000
<b>Project Total</b>				<b>150,000</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>
<b>7 GB Restricted and Federal</b>								
ABR4550004	Provides Restricted and Federal Funds for the increase of research contracts, Hospital sales and services, tuition and fees revenue, auxiliary enterprises, investment income, and indirect cost reimbursement.							
Restricted Funds			54,023,900	54,023,900		113,600,200	113,600,200	
Federal Funds			5,585,900	5,585,900		11,376,300	11,376,300	
<b>Project Total</b>			<b>59,609,800</b>	<b>59,609,800</b>		<b>124,976,500</b>	<b>124,976,500</b>	
<b>TOTAL ADDITIONAL</b>			<b>64,758,600</b>	<b>65,213,300</b>	<b>454,700</b>	<b>132,453,900</b>	<b>151,955,700</b>	<b>19,501,800</b>

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**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes \$4,448,900 in fiscal year 2006-2007 and \$2,328,600 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Debt Service:** Included in the above General Fund appropriation is \$6,975,500 in fiscal year 2006-2007 and \$7,226,000 in fiscal year 2007-2008 for debt service for previously issued bonds for the University of Kentucky and \$718,500 in fiscal year 2006-2007 and \$734,400 in fiscal year 2007-2008 for debt service for previously issued bonds for Lexington Community College."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$4,603,500 in fiscal year 2006-2007 and \$25,479,200 in fiscal year 2007-2008 for base funding.

The General Assembly amends the Branch Budget, Part I, Operating Budget, to include the following language provisions:

**"Debt Service:** Included in the General Fund appropriation is \$5,867,700 in fiscal year 2006-2007 and \$1,546,600 in fiscal year 2007-2008 for debt service for previously issued bonds for the University of Kentucky and \$754,900 in fiscal year 2006-2007 and \$398,900 in fiscal year 2007-2008 for debt service on previously issued bonds for Lexington Community College."

**"West Liberty Technical Center:** The University of Kentucky is encouraged to provided funding in fiscal year 2007-2008 for maintenance and operation of the West Liberty Technical Center."

**"Lexington Arboretum:** The University of Kentucky is encouraged to provide funding in fiscal year 2007-2008 for the Lexington Arboretum."

**"Cooperative Extension Agents:** The University of Kentucky is encouraged to providing funding in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 for the University of Kentucky Cooperative Extension Service to support the County Extension

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Enhancement Initiative. The Initiative provides salary adjustments for County Extension Agents. These adjustments are in addition to any other salary adjustment which may be made. "

**"Bath County Cooperative Extension:** The University of Kentucky is encouraged to provide funding in fiscal year 2007-2008 for the Bath County Cooperative Extension Education and Marketing Center."

**"Center for Research on Violence Against Women:** Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 and \$150,000 in fiscal year 2007-2008 for the Center for Research on Violence Against Women."

**"Kentucky Geological Survey:** Included in the above General Fund appropriation is \$250,000 in fiscal year 2007-2008 from the General Fund portion of the Natural Gas Severance Tax after the statutory distribution required by KRS 42.450(2), and included in the Restricted Funds appropriation is \$250,000 in fiscal year 2007-2008 from the Local Government Economic Development Fund, Multi-County Fund, for the Kentucky Geological Survey."

**"Greenup County Cooperative Extension:** The University of Kentucky is encouraged to provide funding in fiscal year 2006-2007 for the Arts and Music program offered through the Greenup County Extension Service."

**"Adolescent Medicine and Young Parent Programs and Rape Crisis Center:** Included in the above General Fund appropriation is \$150,000 in fiscal year 2006-2007 and \$150,000 in fiscal year 2007-2008 for the Adolescent Medicine and Young Parent Programs and the Rape Crisis Center."

The General Assembly provides in Part II, Capital Budget, additional Agency Bonds authorization of \$20,000,000 in fiscal year 2006-2007, for a total of \$150,000,000, for the construction of the Patient Care Facility, Phase II, Hospital.

The General Assembly provides in Part II, Capital Budget, additional Agency Bonds authorization of \$3,924,000 in fiscal year 2006-2007, for a total of \$79,892,000, for the construction of the Biological/Pharmaceutical Complex, Phase II.

The General Assembly deletes in Part II, Capital Budget, Restricted Funds authorization of \$13,500,000 in fiscal year 2006-2007 for the Expansion and Upgrade of the Livestock Disease Diagnostic Center, Phase II and provides Bond Funds authorization of \$13,500,000 in fiscal year 2006-2007 for the project.

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The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$3,010,000 in fiscal year 2006-2007 for the Renovation of Blazer Hall Cafeteria.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$7,013,000 in fiscal year 2006-2007 to Install HVAC in Keeneland Hall.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$6,000,000 in fiscal year 2006-2007 and Other Funds authorization of \$14,920,000 in fiscal year 2006-2007 for design of the Law School Building.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$4,200,000 in fiscal year 2006-2007 and Other Funds authorization of \$6,410,000 in fiscal year 2006-2007 for design of the Digital Technologies Building

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$4,300,000 in fiscal year 2006-2007 for the expansion of Pence Hall.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$7,139,000 in fiscal year 2006-2007 to construct a Track and Field Facility.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$4,000,000 in fiscal year 2006-2007 to construct the Hagan Baseball Stadium Clubhouse.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$6,200,000 in fiscal year 2006-2007 for the renovation and expansion of Boone Faculty Center.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$2,500,000 in fiscal year 2006-2007 to Seal/Waterproof Commonwealth Stadium Concrete.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$1,500,000 in fiscal year 2006-2007 for the installation of Scoreboards at the Coliseum and Hagan Stadium.

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The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$725,000 in fiscal year 2006-2007 to replace Memorial Coliseum Playing Surface.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$750,000 in fiscal year 2006-2007 to Paint Commonwealth Stadium Steel.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$1,400,000 in fiscal year 2006-2007 for the renovation of Soccer/Softball Facilities.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$3,310,000 in fiscal year 2006-2007 and Other Funds authorization of \$1,000,000 in fiscal year 2006-2007 for the renovation of Practice Instruction Space in Pharmacy.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$4,731,000 in fiscal year 2006-2007 for the renovation of Memorial Coliseum.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$2,300,000 in fiscal year 2006-2007 for the construction of Commonwealth Suite Addition.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$17,344,000 in fiscal year 2006-2007 for the construction of a New Alumni Center.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$2,000,000 in fiscal year 2006-2007 and Other Funds authorization of \$1,500,000 in fiscal year 2006-2007 for Phase II of the design of the Gluck Equine Research Center.

The General Assembly provides in Part II, Capital Budget, Federal Funds authorization of \$2,500,000 in fiscal year 2006-2007 and Other Funds authorization of \$1,500,000 in fiscal year 2006-2007 for the design of the KY Transportation Center Building.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$2,870,000 in fiscal year 2006-2007 for the expansion of the Arboretum Visitor Center.



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The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$7,600,000 in fiscal year 2006-2007 for the design of the Biomedical Research Building.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$1,643,000 in fiscal year 2006-2007 for the renovation of the Student Center Food Court.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$4,650,000 in fiscal year 2006-2007 for the renovation of the K-Lair Building.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$2,000,000 in fiscal year 2006-2007 for the renovation of the SECAT Building at Coldstream.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$27,000,000 in fiscal year 2006-2007 for the Purchase of Furniture and Equipment - Patient Care Facility.

**ADDITIONAL ACTIONS OF THE GENERAL ASSEMBLY**

House Bill 557, Section 59, provides the following:

"281. Lease-Purchase Pollution Controls			
Restricted Funds	-0-	10,000,000	-0-
282. Construct Gatton Building Complex - Phase I			
Other Funds	-0-	38,837,000	-0-
283. Lease-Purchase Hospital Dining Facilities & Equipment			
Restricted Funds	-0-	1,500,000	-0-
284. Lease-Purchase Student Center Bookstore Facility			
Restricted Funds	-0-	4,000,000	-0-
285. Renovate Blazer Hall Cafeteria			
Restricted Funds	-0-	4,500,000	-0-
286. Replace & Relocate WUKY PBS Antenna & Transmitter			
Restricted Funds	-0-	385,956	-0-

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Federal Funds	-0-	317,084	-0-
Other Funds	-0-	160,000	-0-
TOTAL	-0-	863,040	-0-

The Governor of the Commonwealth vetoes, in part, the following:

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 187, lines 2 through 3, in their entirety.

Page 206, lines 13 through 16, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

Partial Veto #18 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority*

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*granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:*

Page 130, line 19, after the word "is", delete "encouraged".

*This part encourages the University of Kentucky to provide funding to the Cooperative Extension Service to support the County Extension Enhancement Initiative. By this partial veto I direct funding to support the County Extension Enhancement Initiative."*

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**K - Postsecondary Education****Capital Budget****University of Kentucky**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>								
Restricted Funds			996,988,000	1,067,547,000	70,559,000			
Federal Funds			13,460,000	16,277,100	2,817,100			
Bond Funds			75,968,000	79,892,000	3,924,000			
Agency Bonds			130,000,000	150,000,000	20,000,000			
Other Funds				120,086,000	120,086,000			
<b>TOTAL CAPITAL</b>			<b>1,216,416,000</b>	<b>1,433,802,100</b>	<b>217,386,100</b>			
<b>II. CAPITAL PROJECTS</b>								
<b>1</b>	<b>Construct Patient Care Facility Phase II - Hospital</b>							
PRJ4552341								
Restricted Funds			25,000,000	25,000,000				
Agency Bonds			130,000,000	150,000,000	20,000,000			
<b>Project Total</b>			<b>155,000,000</b>	<b>175,000,000</b>	<b>20,000,000</b>			
<b>2</b>	<b>Construct Biological/Pharmaceutical Complex- Phase II</b>							
PRJ4551858								
Bond Funds			75,968,000	79,892,000	3,924,000			
<b>Project Total</b>			<b>75,968,000</b>	<b>79,892,000</b>	<b>3,924,000</b>			
<b>3</b>	<b>Major Item of Equipment Pool</b>							
PRJ4552582								
Restricted Funds			195,164,000	195,164,000				
Federal Funds			3,100,000	3,100,000				
<b>Project Total</b>			<b>198,264,000</b>	<b>198,264,000</b>				
<b>4</b>	<b>Capital Renewal Maintenance Pool Phase 1</b>							
PRJ4552130								
Restricted Funds			31,607,000	31,607,000				
<b>Project Total</b>			<b>31,607,000</b>	<b>31,607,000</b>				
<b>5</b>	<b>Construct Outpt Diag/Treat Fac II - Hosp</b>							
PRJ4552234								
Restricted Funds			24,271,000	24,271,000				
<b>Project Total</b>			<b>24,271,000</b>	<b>24,271,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>6 Lease Purchase Enterprise Research Planning System, Phase II</b>								
PRJ4552159								
Restricted Funds			20,000,000	20,000,000				
<b>Project Total</b>			<b>20,000,000</b>	<b>20,000,000</b>				
<b>7 Expand Ambulatory Care Facilities - Hospital</b>								
PRJ4552342								
Restricted Funds			20,000,000	20,000,000				
<b>Project Total</b>			<b>20,000,000</b>	<b>20,000,000</b>				
<b>8 Construct Primary Care Ctr II - Hospital</b>								
PRJ4552232								
Restricted Funds			17,237,000	17,237,000				
<b>Project Total</b>			<b>17,237,000</b>	<b>17,237,000</b>				
<b>9 Replace Air Handling Unit (AHU) I - Hospital</b>								
PRJ4552276								
Restricted Funds			16,165,000	16,165,000				
<b>Project Total</b>			<b>16,165,000</b>	<b>16,165,000</b>				
<b>10 Construct Patient Care Fac II - Hospital</b>								
PRJ4552231								
Restricted Funds			15,909,000	15,909,000				
<b>Project Total</b>			<b>15,909,000</b>	<b>15,909,000</b>				
<b>11 Acquire Land</b>								
PRJ4551900								
Restricted Funds			15,000,000	15,000,000				
<b>Project Total</b>			<b>15,000,000</b>	<b>15,000,000</b>				
<b>12 Construct Facilities Support Bldg - Hospital</b>								
PRJ4552355								
Restricted Funds			14,728,000	14,728,000				
<b>Project Total</b>			<b>14,728,000</b>	<b>14,728,000</b>				
<b>13 Construct Medicine/Dentistry Building - Design</b>								
PRJ4552216								
Restricted Funds			14,000,000	14,000,000				
<b>Project Total</b>			<b>14,000,000</b>	<b>14,000,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>14 Expand and Upgrade LDDC Phase II (VETOED BY GOVERNOR)</b>								
PRJ4552218								
Restricted Funds			13,500,000		(13,500,000)			
Bond Funds				13,500,000				
<b>Project Total</b>			<b>13,500,000</b>		<b>(13,500,000)</b>			
<b>15 Construct Remote Cancer Clinic - Hospital</b>								
PRJ4552302								
Restricted Funds			12,880,000	12,880,000				
<b>Project Total</b>			<b>12,880,000</b>	<b>12,880,000</b>				
<b>16 Construct Cancer Urgent Treatment Fac - Hospital</b>								
PRJ4552293								
Restricted Funds			12,728,000	12,728,000				
<b>Project Total</b>			<b>12,728,000</b>	<b>12,728,000</b>				
<b>17 Lease Purchase Telephone Switch Convergence</b>								
PRJ4551966								
Restricted Funds			12,000,000	12,000,000				
<b>Project Total</b>			<b>12,000,000</b>	<b>12,000,000</b>				
<b>18 Construct Outpt Care Fac II - Hospital</b>								
PRJ4552235								
Restricted Funds			11,157,000	11,157,000				
<b>Project Total</b>			<b>11,157,000</b>	<b>11,157,000</b>				
<b>19 Construct Outpatient Svs III - Hospital</b>								
PRJ4552223								
Restricted Funds			10,775,000	10,775,000				
<b>Project Total</b>			<b>10,775,000</b>	<b>10,775,000</b>				
<b>20 Construct Cancer Infusion Suites - Hospital</b>								
PRJ4552301								
Restricted Funds			10,688,000	10,688,000				
<b>Project Total</b>			<b>10,688,000</b>	<b>10,688,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>21 Construct Imaging Facility - Hospital</b>								
PRJ4552271								
Restricted Funds			10,079,000	10,079,000				
<b>Project Total</b>			<b>10,079,000</b>	<b>10,079,000</b>				
<b>22 Upgrade / Modify Coldstream Facilities</b>								
PRJ4552142								
Restricted Funds			10,000,000	10,000,000				
<b>Project Total</b>			<b>10,000,000</b>	<b>10,000,000</b>				
<b>23 Renovate Lab &amp; Support Space in Med Science</b>								
PRJ4552141								
Restricted Funds			9,500,000	9,500,000				
<b>Project Total</b>			<b>9,500,000</b>	<b>9,500,000</b>				
<b>24 Renovate Lab for Coatings &amp; Surface Inspection</b>								
PRJ4552150								
Restricted Funds			8,000,000	8,000,000				
<b>Project Total</b>			<b>8,000,000</b>	<b>8,000,000</b>				
<b>25 Upgrade Critical Care Center HVAC - Hospital</b>								
PRJ4552352								
Restricted Funds			7,649,000	7,649,000				
<b>Project Total</b>			<b>7,649,000</b>	<b>7,649,000</b>				
<b>26 Install Steam Line BBSRB - Old Main Gate Pit</b>								
PRJ4552001								
Restricted Funds			6,865,000	6,865,000				
<b>Project Total</b>			<b>6,865,000</b>	<b>6,865,000</b>				
<b>27 Install Steam Line-Taylor to Transportation Bldg</b>								
PRJ4552135								
Restricted Funds			6,725,000	6,725,000				
<b>Project Total</b>			<b>6,725,000</b>	<b>6,725,000</b>				



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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>28 Upgrade the Vivarium in Sanders Brown Building</b>								
PRJ4551983								
Restricted Funds			3,360,000	3,360,000				
Federal Funds			3,360,000	3,360,000				
<b>Project Total</b>			<b>6,720,000</b>	<b>6,720,000</b>				
<b>29 Lease Purchase High Performance Research Comp.</b>								
PRJ4551951								
Restricted Funds			6,500,000	6,500,000				
<b>Project Total</b>			<b>6,500,000</b>	<b>6,500,000</b>				
<b>30 Construct Library Depository Facility</b>								
PRJ4552010								
Restricted Funds			2,915,000	2,915,000				
Federal Funds			3,500,000	3,500,000				
<b>Project Total</b>			<b>6,415,000</b>	<b>6,415,000</b>				
<b>31 Expand Emergency Services - Hospital</b>								
PRJ4552344								
Restricted Funds			6,100,000	6,100,000				
<b>Project Total</b>			<b>6,100,000</b>	<b>6,100,000</b>				
<b>32 Renovate Facade - Agriculture Building North</b>								
PRJ4551882								
Restricted Funds			6,100,000	6,100,000				
<b>Project Total</b>			<b>6,100,000</b>	<b>6,100,000</b>				
<b>33 Construct Radiation Medicine Facility - Hospital</b>								
PRJ4552295								
Restricted Funds			6,069,000	6,069,000				
<b>Project Total</b>			<b>6,069,000</b>	<b>6,069,000</b>				
<b>34 Lease Purchase UK/UofL/Frankfort Research Network</b>								
PRJ4551969								
Restricted Funds			6,000,000	6,000,000				
<b>Project Total</b>			<b>6,000,000</b>	<b>6,000,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>35 Renovate Dietetics - Hospital</b>								
PRJ4552306								
Restricted Funds			6,000,000	6,000,000				
<b>Project Total</b>			<b>6,000,000</b>	<b>6,000,000</b>				
<b>36 Upgrade Cancer Ctr Radiologic Facility - Hospital</b>								
PRJ4552292								
Restricted Funds			6,000,000	6,000,000				
<b>Project Total</b>			<b>6,000,000</b>	<b>6,000,000</b>				
<b>37 Install Chilled Water Pipe to South Campus</b>								
PRJ4551989								
Restricted Funds			6,000,000	6,000,000				
<b>Project Total</b>			<b>6,000,000</b>	<b>6,000,000</b>				
<b>38 Replace Cooling Plant Chillers</b>								
PRJ4551879								
Restricted Funds			6,000,000	6,000,000				
<b>Project Total</b>			<b>6,000,000</b>	<b>6,000,000</b>				
<b>39 Purchase Clinical System Enterprise</b>								
PRJ4552261								
Restricted Funds			5,800,000	5,800,000				
<b>Project Total</b>			<b>5,800,000</b>	<b>5,800,000</b>				
<b>40 Add Centralized Emergency Generator</b>								
PRJ4551976								
Restricted Funds			5,542,000	5,542,000				
<b>Project Total</b>			<b>5,542,000</b>	<b>5,542,000</b>				
<b>41 Replace Steam and Condensate Pipe</b>								
PRJ4551885								
Restricted Funds			5,500,000	5,500,000				
<b>Project Total</b>			<b>5,500,000</b>	<b>5,500,000</b>				
<b>42 Install Steam Line Blazer to Singletary Center</b>								
PRJ4552136								
Restricted Funds			5,275,000	5,275,000				
<b>Project Total</b>			<b>5,275,000</b>	<b>5,275,000</b>				

**K - Postsecondary Education****Capital Budget****University of Kentucky**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>43 Construct Cancer Hospice Facility - Hospital</b>								
PRJ4552299								
Restricted Funds			5,145,000	5,145,000				
<b>Project Total</b>			<b>5,145,000</b>	<b>5,145,000</b>				
<b>44 Upgrade Pharmacy Fume Hood I-Life Safety</b>								
PRJ4551859								
Restricted Funds			5,040,000	5,040,000				
<b>Project Total</b>			<b>5,040,000</b>	<b>5,040,000</b>				
<b>45 Construct Data Center - Design</b>								
PRJ4552154								
Restricted Funds			5,000,000	5,000,000				
<b>Project Total</b>			<b>5,000,000</b>	<b>5,000,000</b>				
<b>46 Renovate Research Space in Med Science</b>								
PRJ4552153								
Restricted Funds			5,000,000	5,000,000				
<b>Project Total</b>			<b>5,000,000</b>	<b>5,000,000</b>				
<b>47 Construct University Student Center - Design</b>								
PRJ4552041								
Restricted Funds			5,000,000	5,000,000				
<b>Project Total</b>			<b>5,000,000</b>	<b>5,000,000</b>				
<b>48 Expand Chemistry-Physics Building - Design</b>								
PRJ4551981								
Restricted Funds			5,000,000	5,000,000				
<b>Project Total</b>			<b>5,000,000</b>	<b>5,000,000</b>				
<b>49 Improve Central Heating Plant</b>								
PRJ4551886								
Restricted Funds			4,860,000	4,860,000				
<b>Project Total</b>			<b>4,860,000</b>	<b>4,860,000</b>				
<b>50 Modify Nursing Unit XII - Hospital</b>								
PRJ4552221								
Restricted Funds			4,806,000	4,806,000				
<b>Project Total</b>			<b>4,806,000</b>	<b>4,806,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
51 Improve Life Safety, Project Pool								
PRJ4551895								
Restricted Funds			4,650,000	4,650,000				
Project Total			4,650,000	4,650,000				
52 Purchase Patient System Enterprise								
PRJ4552268								
Restricted Funds			4,640,000	4,640,000				
Project Total			4,640,000	4,640,000				
53 Purchase Dig. Medical Record Expansion								
PRJ4552262								
Restricted Funds			4,640,000	4,640,000				
Project Total			4,640,000	4,640,000				
54 Renovate Imaging Center in Ky Clinic								
PRJ4551986								
Restricted Funds			4,590,000	4,590,000				
Project Total			4,590,000	4,590,000				
55 Replace Fine Arts HVAC								
PRJ4552061								
Restricted Funds			4,500,000	4,500,000				
Project Total			4,500,000	4,500,000				
56 Expand Surgical Services - Hospital								
PRJ4552240								
Restricted Funds			4,545,000	4,545,000				
Project Total			4,545,000	4,545,000				
57 Expand Kentucky Geological Survey Well Sample & Core Repository								
PRJ4551899								
Restricted Funds			4,310,000	4,310,000				
Project Total			4,310,000	4,310,000				
58 Expand Kastle Hall Vivarium								
PRJ4552170								
Restricted Funds			4,505,000	4,505,000				
Project Total			4,505,000	4,505,000				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>59 Upgrade Surgical Services - Hospital</b>								
PRJ4552340								
Restricted Funds			4,500,000	4,500,000				
<b>Project Total</b>			<b>4,500,000</b>	<b>4,500,000</b>				
<b>60 Upgrade Electrical Substation</b>								
PRJ4552084								
Restricted Funds			4,500,000	4,500,000				
<b>Project Total</b>			<b>4,500,000</b>	<b>4,500,000</b>				
<b>61 Expand Center for Applied Energy Research Laboratories</b>								
PRJ4552091								
Restricted Funds			4,450,000	4,450,000				
<b>Project Total</b>			<b>4,450,000</b>	<b>4,450,000</b>				
<b>62 Upgrade Information Systems Svcs - Hospital</b>								
PRJ4552304								
Restricted Funds			4,206,000	4,206,000				
<b>Project Total</b>			<b>4,206,000</b>	<b>4,206,000</b>				
<b>63 Renovate Carnahan House</b>								
PRJ4552163								
Restricted Funds			4,000,000	4,000,000				
<b>Project Total</b>			<b>4,000,000</b>	<b>4,000,000</b>				
<b>64 Extend Virginia Avenue</b>								
PRJ4552129								
Restricted Funds			4,000,000	4,000,000				
<b>Project Total</b>			<b>4,000,000</b>	<b>4,000,000</b>				
<b>65 Renovate Labs in Pharmacy Building</b>								
PRJ4551862								
Restricted Funds			2,000,000	2,000,000				
Federal Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>4,000,000</b>	<b>4,000,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>66 Expand Operating Room Suites - Hospital</b>								
PRJ4552296								
Restricted Funds			3,559,000	3,559,000				
<b>Project Total</b>			<b>3,559,000</b>	<b>3,559,000</b>				
<b>67 Upgrade Diagnostic Radiology - Hospital</b>								
PRJ4552305								
Restricted Funds			3,530,000	3,530,000				
<b>Project Total</b>			<b>3,530,000</b>	<b>3,530,000</b>				
<b>68 Replace McVey Hall HVAC</b>								
PRJ4552078								
Restricted Funds			3,520,000	3,520,000				
<b>Project Total</b>			<b>3,520,000</b>	<b>3,520,000</b>				
<b>69 Lease Purchase Campus Infrastructure Upgrade</b>								
PRJ4551955								
Restricted Funds			3,500,000	3,500,000				
<b>Project Total</b>			<b>3,500,000</b>	<b>3,500,000</b>				
<b>70 Lease Purchase Large Scale Computing</b>								
PRJ4551953								
Restricted Funds			3,500,000	3,500,000				
<b>Project Total</b>			<b>3,500,000</b>	<b>3,500,000</b>				
<b>71 Upgrade HVAC II - Hospital</b>								
PRJ4552236								
Restricted Funds			3,500,000	3,500,000				
<b>Project Total</b>			<b>3,500,000</b>	<b>3,500,000</b>				
<b>72 Expand/Renovate Center for Pharmaceutical Sciences and Technology Facility</b>								
PRJ4552162								
Restricted Funds			3,500,000	3,500,000				
<b>Project Total</b>			<b>3,500,000</b>	<b>3,500,000</b>				
<b>73 Fit-up Gill Bldg Ground Floor - Hospital</b>								
PRJ4552347								
Restricted Funds			1,250,000	1,250,000				
<b>Project Total</b>			<b>1,250,000</b>	<b>1,250,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
74 Replace Central Facilities Management System								
PRJ4551884								
Restricted Funds			3,500,000	3,500,000				
Project Total			3,500,000	3,500,000				
75 Upgrade Fume Hoods TH Morgan - Life Safety								
PRJ4552088								
Restricted Funds			3,188,000	3,188,000				
Project Total			3,188,000	3,188,000				
76 Expand Ophthalmology Clinic - Hospital								
PRJ4552345								
Restricted Funds			3,100,000	3,100,000				
Project Total			3,100,000	3,100,000				
77 Replace Steam Line Lime Tunnel - Main Gate Pit								
PRJ4552085								
Restricted Funds			3,100,000	3,100,000				
Project Total			3,100,000	3,100,000				
78 Replace HVAC Kastle Hall								
PRJ4552072								
Restricted Funds			3,100,000	3,100,000				
Project Total			3,100,000	3,100,000				
79 Construct Bldg Connectors III - Hospital								
PRJ4552233								
Restricted Funds			3,059,000	3,059,000				
Project Total			3,059,000	3,059,000				
80 Purchase Dentistry Patient Mgmt System-Phase II								
PRJ4552573								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				
81 Upgrade Global Ventilation Controls - Hospital								
PRJ4552354								
Restricted Funds			3,000,000	3,000,000				
Project Total			3,000,000	3,000,000				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>82 Renovate Central Vivarium</b>								
PRJ4552169								
Restricted Funds			1,500,000	1,500,000				
Federal Funds			1,500,000	1,500,000				
<b>Project Total</b>			<b>3,000,000</b>	<b>3,000,000</b>				
<b>83 Renovate Sections of Funkhouser</b>								
PRJ4552039								
Restricted Funds			3,000,000	3,000,000				
<b>Project Total</b>			<b>3,000,000</b>	<b>3,000,000</b>				
<b>84 Renovate Research Space Medical Center, I</b>								
PRJ4551865								
Restricted Funds			3,000,000	3,000,000				
<b>Project Total</b>			<b>3,000,000</b>	<b>3,000,000</b>				
<b>85 Construct Radiation Med Facility II - Hospital</b>								
PRJ4552297								
Restricted Funds			2,955,000	2,955,000				
<b>Project Total</b>			<b>2,955,000</b>	<b>2,955,000</b>				
<b>86 Construct University Press Facility</b>								
PRJ4552151								
Restricted Funds			2,950,000	2,950,000				
<b>Project Total</b>			<b>2,950,000</b>	<b>2,950,000</b>				
<b>87 Upgrade Surgical Suite - Hospital</b>								
PRJ4552294								
Restricted Funds			2,945,000	2,945,000				
<b>Project Total</b>			<b>2,945,000</b>	<b>2,945,000</b>				
<b>88 Renovate Outpatient Clinic in Kentucky Clinic</b>								
PRJ4551972								
Restricted Funds			2,930,000	2,930,000				
<b>Project Total</b>			<b>2,930,000</b>	<b>2,930,000</b>				



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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>89 Replace HVAC Slone Building</b>								
PRJ4552073								
Restricted Funds			2,917,000	2,917,000				
<b>Project Total</b>			<b>2,917,000</b>	<b>2,917,000</b>				
<b>90 Purchase Upgrade - Hospital Information System (HIS) Computing Facility</b>								
PRJ4552264								
Restricted Funds			2,900,000	2,900,000				
<b>Project Total</b>			<b>2,900,000</b>	<b>2,900,000</b>				
<b>91 Renovate Central Computing Facility</b>								
PRJ4551960								
Restricted Funds			2,811,000	2,811,000				
<b>Project Total</b>			<b>2,811,000</b>	<b>2,811,000</b>				
<b>92 Install Cooling Secondary Pumping</b>								
PRJ4551891								
Restricted Funds			2,800,000	2,800,000				
<b>Project Total</b>			<b>2,800,000</b>	<b>2,800,000</b>				
<b>93 Replace Steam Line Main Gate Pit-Anderson Pit</b>								
PRJ4552081								
Restricted Funds			2,750,000	2,750,000				
<b>Project Total</b>			<b>2,750,000</b>	<b>2,750,000</b>				
<b>94 Renovate Department of Laboratory Animal Research Quarantine Facility at Spindletop</b>								
PRJ4552148								
Restricted Funds			2,720,000	2,720,000				
<b>Project Total</b>			<b>2,720,000</b>	<b>2,720,000</b>				
<b>95 Renovate Koinonia House</b>								
PRJ4551963								
Restricted Funds			2,715,000	2,715,000				
<b>Project Total</b>			<b>2,715,000</b>	<b>2,715,000</b>				
<b>96 Construct Alumni Drive Roundabouts</b>								
PRJ4552138								
Restricted Funds			2,630,000	2,630,000				
<b>Project Total</b>			<b>2,630,000</b>	<b>2,630,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>97 Upgrade Fume Hood in Sanders Brown-Life Safety</b>								
PRJ4551864								
Restricted Funds			2,600,000	2,600,000				
<b>Project Total</b>			<b>2,600,000</b>	<b>2,600,000</b>				
<b>98 Purchase Computing Infrastructure Update</b>								
PRJ4552266								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				
<b>99 Upgrade Outpatient Surgical Suite - Hospital</b>								
PRJ4552270								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				
<b>100 Implement Land Use Plan IV - Hospital</b>								
PRJ4552225								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				
<b>101 Renovate Parking Structure #3</b>								
PRJ4552144								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				
<b>102 Renovate 3rd Floor Little Library</b>								
PRJ4551994								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				
<b>103 Renovate Research Labs in Medical Center, IV</b>								
PRJ4551992								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				
<b>104 Replace Central Fire Alarm System</b>								
PRJ4551883								
Restricted Funds			2,500,000	2,500,000				
<b>Project Total</b>			<b>2,500,000</b>	<b>2,500,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>105 Improve Spindletop Hall Facilities Capital Renewal</b>								
PRJ4552134								
Restricted Funds			2,450,000	2,450,000				
<b>Project Total</b>			<b>2,450,000</b>	<b>2,450,000</b>				
<b>106 Construct Multi-Care Clinic Building - Design</b>								
PRJ4551978								
Restricted Funds			2,200,000	2,200,000				
<b>Project Total</b>			<b>2,200,000</b>	<b>2,200,000</b>				
<b>107 Replace Chemistry Physics Ductwork</b>								
PRJ4551893								
Restricted Funds			2,200,000	2,200,000				
<b>Project Total</b>			<b>2,200,000</b>	<b>2,200,000</b>				
<b>108 Expand Animal Science Research Ctr - Ph. II - Design</b>								
PRJ4551876								
Restricted Funds			2,200,000	2,200,000				
<b>Project Total</b>			<b>2,200,000</b>	<b>2,200,000</b>				
<b>109 Replace Steam Line MC Htg - Hosp Drive Pit 2</b>								
PRJ4552082								
Restricted Funds			2,114,000	2,114,000				
<b>Project Total</b>			<b>2,114,000</b>	<b>2,114,000</b>				
<b>110 Expand Plant Capacity Infrastructure - Design</b>								
PRJ4551985								
Restricted Funds			2,040,000	2,040,000				
<b>Project Total</b>			<b>2,040,000</b>	<b>2,040,000</b>				
<b>111 Upgrade Picture Archiving System</b>								
PRJ4552366								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>112 Expand Cancer Infusion Suites</b>								
PRJ4552343								
Restricted Funds			1,964,000	1,964,000				
<b>Project Total</b>			<b>1,964,000</b>	<b>1,964,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
113 Upgrade Outpatient Services - Hospital								
PRJ4552353								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
114 Upgrade Clinical Services - Hopsital								
PRJ4552351								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
115 Renovate Hospital Nursing Unit - Hospital								
PRJ4552349								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
116 Expand Outpatient Radiology - Hospital								
PRJ4552346								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
117 Replace Radiology Information System								
PRJ4552365								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
118 Construct Physicians Svcs Facilities - Hospital								
PRJ4552303								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
119 Construct Cancer Education Facility - Hospital								
PRJ4552300								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				
120 Upgrade AHUs - Med Ctr Campus								
PRJ4552145								
Restricted Funds			2,000,000	2,000,000				
Project Total			2,000,000	2,000,000				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>121 Renovate Research Labs in Med Center, III</b>								
PRJ4551990								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>122 Construct New Housing</b>								
PRJ4551982								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>123 Renovate Taylor Education Bldg. - Design</b>								
PRJ4551874								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>124 Replace Air Handling Units in Research #1</b>								
PRJ4551974								
Restricted Funds			1,935,000	1,935,000				
<b>Project Total</b>			<b>1,935,000</b>	<b>1,935,000</b>				
<b>125 Construct University Conference Center</b>								
PRJ4552113								
Restricted Funds			1,900,000	1,900,000				
<b>Project Total</b>			<b>1,900,000</b>	<b>1,900,000</b>				
<b>126 Expand/Renovate Art Museum Single. Ctr. - Design</b>								
PRJ4551952								
Restricted Funds			1,900,000	1,900,000				
<b>Project Total</b>			<b>1,900,000</b>	<b>1,900,000</b>				
<b>127 Install Pollution Controls</b>								
PRJ4551894								
Restricted Funds			1,900,000	1,900,000				
<b>Project Total</b>			<b>1,900,000</b>	<b>1,900,000</b>				
<b>128 Implement Medication Bar Coding System</b>								
PRJ4552359								
Restricted Funds			1,750,000	1,750,000				
<b>Project Total</b>			<b>1,750,000</b>	<b>1,750,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
129 Replace Master Clock and Bell System								
PRJ4551887								
Restricted Funds			1,750,000	1,750,000				
Project Total			1,750,000	1,750,000				
130 Renovate King Library South - 1962 section								
PRJ4552025								
Restricted Funds			1,700,000	1,700,000				
Project Total			1,700,000	1,700,000				
131 Renov. Graduate Edu. & Research Space in Nursing								
PRJ4551973								
Restricted Funds			1,700,000	1,700,000				
Project Total			1,700,000	1,700,000				
132 Replace Steam Line Lime Tunnel - POT Tunnel								
PRJ4552080								
Restricted Funds			1,606,000	1,606,000				
Project Total			1,606,000	1,606,000				
133 Renovate Cooper House								
PRJ4552155								
Restricted Funds			1,600,000	1,600,000				
Project Total			1,600,000	1,600,000				
134 Improve Oswald Building, Capital Renewal								
PRJ4552133								
Restricted Funds			1,600,000	1,600,000				
Project Total			1,600,000	1,600,000				
135 Construct Horticultural Research & Ed. Facility								
PRJ4551980								
Restricted Funds			1,600,000	1,600,000				
Project Total			1,600,000	1,600,000				
136 Lease Purchase Network Security Hardware								
PRJ4551962								
Restricted Funds			1,500,000	1,500,000				
Project Total			1,500,000	1,500,000				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>137 Upgrade Utility Systems VI - Hospital</b>								
PRJ4552229								
Restricted Funds			1,500,000	1,500,000				
<b>Project Total</b>			<b>1,500,000</b>	<b>1,500,000</b>				
<b>138 Upgrade Diagnostic Services XI-Hospital</b>								
PRJ4552222								
Restricted Funds			1,500,000	1,500,000				
<b>Project Total</b>			<b>1,500,000</b>	<b>1,500,000</b>				
<b>139 Install Chilled Water Pipe-Clg 2 to Pit</b>								
PRJ4551890								
Restricted Funds			1,500,000	1,500,000				
<b>Project Total</b>			<b>1,500,000</b>	<b>1,500,000</b>				
<b>140 Renovate Research Labs in Med Center, I</b>								
PRJ4551860								
Restricted Funds			1,500,000	1,500,000				
<b>Project Total</b>			<b>1,500,000</b>	<b>1,500,000</b>				
<b>141 Renovate Dentistry Class Lab</b>								
PRJ4552152								
Restricted Funds			1,475,000	1,475,000				
<b>Project Total</b>			<b>1,475,000</b>	<b>1,475,000</b>				
<b>142 Replace Mathews Building HVAC</b>								
PRJ4552077								
Restricted Funds			1,438,000	1,438,000				
<b>Project Total</b>			<b>1,438,000</b>	<b>1,438,000</b>				
<b>143 Renovate King Library South-1930 section Design</b>								
PRJ4552017								
Restricted Funds			1,400,000	1,400,000				
<b>Project Total</b>			<b>1,400,000</b>	<b>1,400,000</b>				
<b>144 Construct Environmental Institute - Design</b>								
PRJ4551898								
Restricted Funds			1,392,000	1,392,000				
<b>Project Total</b>			<b>1,392,000</b>	<b>1,392,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>145      Modify Nursing Unit XI - Hospital</b>								
PRJ4552220								
Restricted Funds			1,390,000	1,390,000				
<b>Project Total</b>			<b>1,390,000</b>	<b>1,390,000</b>				
<b>146      Renovate Imaging Center, II</b>								
PRJ4551991								
Restricted Funds			1,257,000	1,257,000				
<b>Project Total</b>			<b>1,257,000</b>	<b>1,257,000</b>				
<b>147      Construct UK Paducah Engineering Research Center</b>								
PRJ4551984								
Restricted Funds			1,230,000	6,500,000	5,270,000			
<b>Project Total</b>			<b>1,230,000</b>	<b>6,500,000</b>	<b>5,270,000</b>			
<b>148      Improve Storm Sewer Funkhouser</b>								
PRJ4551881								
Restricted Funds			1,225,000	1,225,000				
<b>Project Total</b>			<b>1,225,000</b>	<b>1,225,000</b>				
<b>149      Renovate Clinical Teaching Space in Nursing Bldg</b>								
PRJ4551964								
Restricted Funds			1,220,000	1,220,000				
<b>Project Total</b>			<b>1,220,000</b>	<b>1,220,000</b>				
<b>150      Install Fetal Monitoring Information System</b>								
PRJ4552362								
Restricted Funds			1,200,000	1,200,000				
<b>Project Total</b>			<b>1,200,000</b>	<b>1,200,000</b>				
<b>151      Lease Purchase Enterprise Storage System</b>								
PRJ4551954								
Restricted Funds			1,200,000	1,200,000				
<b>Project Total</b>			<b>1,200,000</b>	<b>1,200,000</b>				
<b>152      Replace Air Handling Unit (AHU) II - Roach</b>								
PRJ4552279								
Restricted Funds			1,200,000	1,200,000				
<b>Project Total</b>			<b>1,200,000</b>	<b>1,200,000</b>				



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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>153 Replace Air Handling Unit (AHU) I - Roach</b>								
PRJ4552278								
Restricted Funds			1,200,000	1,200,000				
<b>Project Total</b>			<b>1,200,000</b>	<b>1,200,000</b>				
<b>154 Renovate College of Medicine Administrative Offices</b>								
PRJ4552190								
Restricted Funds			1,200,000	1,200,000				
<b>Project Total</b>			<b>1,200,000</b>	<b>1,200,000</b>				
<b>155 Improve Exterior Lighting, Phase 1</b>								
PRJ4552132								
Restricted Funds			1,200,000	1,200,000				
<b>Project Total</b>			<b>1,200,000</b>	<b>1,200,000</b>				
<b>156 Create Universal Nursing Unit - Hospital</b>								
PRJ4552239								
Restricted Funds			1,180,000	1,180,000				
<b>Project Total</b>			<b>1,180,000</b>	<b>1,180,000</b>				
<b>157 Purchase Managed Care Enterprise</b>								
PRJ4552263								
Restricted Funds			1,160,000	1,160,000				
<b>Project Total</b>			<b>1,160,000</b>	<b>1,160,000</b>				
<b>158 Replace Three Elevators MI King South</b>								
PRJ4551889								
Restricted Funds			1,130,000	1,130,000				
<b>Project Total</b>			<b>1,130,000</b>	<b>1,130,000</b>				
<b>159 Upgrade Communication Svs - Hospital</b>								
PRJ4552237								
Restricted Funds			1,126,000	1,126,000				
<b>Project Total</b>			<b>1,126,000</b>	<b>1,126,000</b>				
<b>160 Upgrade Bldg Entrances Safety &amp; Security</b>								
PRJ4552140								
Restricted Funds			1,100,000	1,100,000				
<b>Project Total</b>			<b>1,100,000</b>	<b>1,100,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>161 Install Chilled Water Additions General Campus</b>								
PRJ4551987								
Restricted Funds			1,100,000	1,100,000				
<b>Project Total</b>			<b>1,100,000</b>	<b>1,100,000</b>				
<b>162 Purchase Comm Infrastructure in Young Library</b>								
PRJ4552120								
Restricted Funds			1,014,000	1,014,000				
<b>Project Total</b>			<b>1,014,000</b>	<b>1,014,000</b>				
<b>163 Implement Automated Bed Management System</b>								
PRJ4552358								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>164 Upgrade Support Services II - Hospital</b>								
PRJ4552227								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>165 Upgrade Diagnostic Services XII-Hospital</b>								
PRJ4552224								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>166 Upgrade Transport Systems - Med Ctr Campus</b>								
PRJ4552146								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>167 Replace Ag. North primary electrical service</b>								
PRJ4552143								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>168 Lease Purchase Fire Suppression Upgrade</b>								
PRJ4552116								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				

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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>169 Construct Parking Structure - Central Campus</b>								
PRJ4552087								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>170 Expand West KY Research &amp; Education Ctr - Design</b>								
PRJ4551979								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>171 Renovate College of Public Health Bldg.- Design</b>								
PRJ4551977								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>172 Renovate Reynolds Building - Design</b>								
PRJ4551959								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>173 Construct Parking Structure - North Cam - Design</b>								
PRJ4551901								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>174 Renovate Barker Hall - Design</b>								
PRJ4551880								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>175 Renovate Slone Building - Design</b>								
PRJ4551872								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>176 Upgrade Sound System for the Singletary Center</b>								
PRJ4551867								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				

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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>177 Fit-up Education Space in Health Science Bldg</b>								
PRJ4551863								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>178 Renovate Bowman Hall - Design</b>								
PRJ4551857								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>179 Lease Purchase Uninterruptable Power Supply System</b>								
PRJ4552117								
Restricted Funds			941,000	941,000				
<b>Project Total</b>			<b>941,000</b>	<b>941,000</b>				
<b>180 Replace Law Building Marble Facade</b>								
PRJ4552074								
Restricted Funds			930,000	930,000				
<b>Project Total</b>			<b>930,000</b>	<b>930,000</b>				
<b>181 Upgrade HVAC - Center for Applied Energy Research Ph. III - Life Safety</b>								
PRJ4552103								
Restricted Funds			910,000	910,000				
<b>Project Total</b>			<b>910,000</b>	<b>910,000</b>				
<b>182 Upgrade Hospital Data Network</b>								
PRJ4552350								
Restricted Funds			826,000	826,000				
<b>Project Total</b>			<b>826,000</b>	<b>826,000</b>				
<b>183 Replace Hospital Mainframe Computer</b>								
PRJ4552364								
Restricted Funds			800,000	800,000				
<b>Project Total</b>			<b>800,000</b>	<b>800,000</b>				
<b>184 Implement Picture Archiving System in Hospital O.R.</b>								
PRJ4552361								
Restricted Funds			800,000	800,000				
<b>Project Total</b>			<b>800,000</b>	<b>800,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>185 Expand Kentucky Clinic Network</b>								
PRJ4552357								
Restricted Funds			800,000	800,000				
<b>Project Total</b>			<b>800,000</b>	<b>800,000</b>				
<b>186 Purchase Upgrade for Servers</b>								
PRJ4552265								
Restricted Funds			800,000	800,000				
<b>Project Total</b>			<b>800,000</b>	<b>800,000</b>				
<b>187 Upgrade Building/Site IV - Hospital</b>								
PRJ4552230								
Restricted Funds			800,000	800,000				
<b>Project Total</b>			<b>800,000</b>	<b>800,000</b>				
<b>188 Upgrade Transport Systems V - Hospital</b>								
PRJ4552226								
Restricted Funds			800,000	800,000				
<b>Project Total</b>			<b>800,000</b>	<b>800,000</b>				
<b>189 Lease Purchase Uninterruptable Power Supply (UPS) Upgrade for Communications</b>								
PRJ4552118								
Restricted Funds			800,000	800,000				
<b>Project Total</b>			<b>800,000</b>	<b>800,000</b>				
<b>190 Replace Steam Line Kastle - Chem/Phys Pit 28</b>								
PRJ4552079								
Restricted Funds			775,000	775,000				
<b>Project Total</b>			<b>775,000</b>	<b>775,000</b>				
<b>191 Replace High Voltage Wiring</b>								
PRJ4551888								
Restricted Funds			775,000	775,000				
<b>Project Total</b>			<b>775,000</b>	<b>775,000</b>				
<b>192 Purchase Data Storage Facility Upgrade</b>								
PRJ4552267								
Restricted Funds			750,000	750,000				
<b>Project Total</b>			<b>750,000</b>	<b>750,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>193      Renovate Public Service Commission Building</b>								
PRJ4552156								
Restricted Funds			750,000	750,000				
<b>Project Total</b>			<b>750,000</b>	<b>750,000</b>				
<b>194      Repair Concrete Phase I General Campus</b>								
PRJ4552030								
Restricted Funds			750,000	750,000				
<b>Project Total</b>			<b>750,000</b>	<b>750,000</b>				
<b>195      Repair Blacktop Phase I General Campus</b>								
PRJ4552029								
Restricted Funds			750,000	750,000				
<b>Project Total</b>			<b>750,000</b>	<b>750,000</b>				
<b>196      Renovate Faculty Office Space in Med Center</b>								
PRJ4551993								
Restricted Funds			742,000	742,000				
<b>Project Total</b>			<b>742,000</b>	<b>742,000</b>				
<b>197      Replace Holmes Elevator</b>								
PRJ4552069								
Restricted Funds			740,000	740,000				
<b>Project Total</b>			<b>740,000</b>	<b>740,000</b>				
<b>198      Upgrade Elevator Controls in Nursing Building</b>								
PRJ4551975								
Restricted Funds			740,000	740,000				
<b>Project Total</b>			<b>740,000</b>	<b>740,000</b>				
<b>199      Renovate Imaging Center, I</b>								
PRJ4551988								
Restricted Funds			706,000	706,000				
<b>Project Total</b>			<b>706,000</b>	<b>706,000</b>				
<b>200      Implement On-Site Digital Radiology Archive</b>								
PRJ4552360								
Restricted Funds			700,000	700,000				
<b>Project Total</b>			<b>700,000</b>	<b>700,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>201 Purchase Upgraded Integrated Library System</b>								
PRJ4552026								
Restricted Funds			700,000	700,000				
<b>Project Total</b>			<b>700,000</b>	<b>700,000</b>				
<b>202 Renovate Medical Records Suite I - Hospital</b>								
PRJ4552309								
Restricted Funds			700,000	700,000				
<b>Project Total</b>			<b>700,000</b>	<b>700,000</b>				
<b>203 Expand Data Systems III - Hospital</b>								
PRJ4552308								
Restricted Funds			700,000	700,000				
<b>Project Total</b>			<b>700,000</b>	<b>700,000</b>				
<b>204 Install Med. Center Chilled Water Loop</b>								
PRJ4551892								
Restricted Funds			700,000	700,000				
<b>Project Total</b>			<b>700,000</b>	<b>700,000</b>				
<b>205 Renovate Hospital Cafeteria - Hospital</b>								
PRJ4552348								
Restricted Funds			631,000	631,000				
<b>Project Total</b>			<b>631,000</b>	<b>631,000</b>				
<b>206 Expand Hospital Data Storage</b>								
PRJ4552356								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>207 Purchase Police Communications Equipment</b>								
PRJ4552121								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>208 Lease Purchase Unix Cluster</b>								
PRJ4551967								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				

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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>209 Lease Purchase Data Warehouse</b>								
PRJ4551956								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>210 Replace Air Handling Units Central Computing Facility</b>								
PRJ4552119								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>211 Upgrade Pilot-scale Mineral Process Facility</b>								
PRJ4552108								
Restricted Funds			600,000	600,000				
<b>Project Total</b>			<b>600,000</b>	<b>600,000</b>				
<b>212 Purchase Picture Archiving (PACS) Data Storage Equip &amp; Software</b>								
PRJ4552325								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>213 Purchase Data Storage Equip &amp; Software I</b>								
PRJ4552323								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>214 Lease Purchase Tape Library</b>								
PRJ4551957								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>215 Install Emergency Generator Computing Facility</b>								
PRJ4552115								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>216 Lab Security Systems Project Pool</b>								
PRJ4552086								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				



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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
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<b>217 Improve Indoor Air Quality - Phase I - Life Safety</b>								
PRJ4551897								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>218 Abate Asbestos Lexington Campus II - Life Safety</b>								
PRJ4551896								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>219 Purchase Knowledge-based Transcription</b>								
PRJ4552333								
Restricted Funds			450,000	450,000				
<b>Project Total</b>			<b>450,000</b>	<b>450,000</b>				
<b>220 Improve Accessibility Project Pool</b>								
PRJ4552089								
Restricted Funds			437,000	437,000				
<b>Project Total</b>			<b>437,000</b>	<b>437,000</b>				
<b>221 Purchase Consumer Web Interaction System</b>								
PRJ4552335								
Restricted Funds			400,000	400,000				
<b>Project Total</b>			<b>400,000</b>	<b>400,000</b>				
<b>222 Purchase Knowledge-based Charting System</b>								
PRJ4552334								
Restricted Funds			400,000	400,000				
<b>Project Total</b>			<b>400,000</b>	<b>400,000</b>				
<b>223 Purchase Mainframe Computer</b>								
PRJ4552330								
Restricted Funds			400,000	400,000				
<b>Project Total</b>			<b>400,000</b>	<b>400,000</b>				
<b>224 Purchase Data Center Printers I</b>								
PRJ4552327								
Restricted Funds			350,000	350,000				
<b>Project Total</b>			<b>350,000</b>	<b>350,000</b>				

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Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>225 Purchase Data Center Printers II</b>								
PRJ4552332								
Restricted Funds			300,000	300,000				
<b>Project Total</b>			<b>300,000</b>	<b>300,000</b>				
<b>226 Purchase Patient Classification Equip.</b>								
PRJ4551950								
Restricted Funds			260,000	260,000				
<b>Project Total</b>			<b>260,000</b>	<b>260,000</b>				
<b>227 Purchase Data Storage Equip &amp; Software II</b>								
PRJ4552328								
Restricted Funds			250,000	250,000				
<b>Project Total</b>			<b>250,000</b>	<b>250,000</b>				
<b>228 Purchase Telecommunications Equipment I</b>								
PRJ4552324								
Restricted Funds			250,000	250,000				
<b>Project Total</b>			<b>250,000</b>	<b>250,000</b>				
<b>229 Purchase Shared Desktop Environment</b>								
PRJ4552123								
Restricted Funds			250,000	250,000				
<b>Project Total</b>			<b>250,000</b>	<b>250,000</b>				
<b>230 Lease Purchase Video Switch Expansion</b>								
PRJ4551968								
Restricted Funds			250,000	250,000				
<b>Project Total</b>			<b>250,000</b>	<b>250,000</b>				
<b>231 Purchase Telecommunications Equipment II</b>								
PRJ4552329								
Restricted Funds			200,000	200,000				
<b>Project Total</b>			<b>200,000</b>	<b>200,000</b>				
<b>232 Purchase Fiber Channel Network System</b>								
PRJ4552174								
Restricted Funds			200,000	200,000				
<b>Project Total</b>			<b>200,000</b>	<b>200,000</b>				

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Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>233 Purchase Digital Media Distribution System</b>								
PRJ4552124								
Restricted Funds			186,000	186,000				
<b>Project Total</b>			<b>186,000</b>	<b>186,000</b>				
<b>234 Purchase Redundant Disk Server System</b>								
PRJ4552127								
Restricted Funds			170,000	170,000				
<b>Project Total</b>			<b>170,000</b>	<b>170,000</b>				
<b>235 Purchase Geographic Information System (GIS) Remote Sensing Teaching Lab</b>								
PRJ4552126								
Restricted Funds			160,000	160,000				
<b>Project Total</b>			<b>160,000</b>	<b>160,000</b>				
<b>236 Purchase Network Infrastructure Restructuring</b>								
PRJ4552125								
Restricted Funds			160,000	160,000				
<b>Project Total</b>			<b>160,000</b>	<b>160,000</b>				
<b>237 Purchase Telecommunications Equipment III</b>								
PRJ4552337								
Restricted Funds			150,000	150,000				
<b>Project Total</b>			<b>150,000</b>	<b>150,000</b>				
<b>238 Purchase Data Storage Equip &amp; Software III</b>								
PRJ4552336								
Restricted Funds			150,000	150,000				
<b>Project Total</b>			<b>150,000</b>	<b>150,000</b>				
<b>239 Purchase IT Security Equipment II</b>								
PRJ4552331								
Restricted Funds			150,000	150,000				
<b>Project Total</b>			<b>150,000</b>	<b>150,000</b>				
<b>240 Purchase IT Security Equipment I</b>								
PRJ4552326								
Restricted Funds			150,000	150,000				
<b>Project Total</b>			<b>150,000</b>	<b>150,000</b>				

**K - Postsecondary Education****Capital Budget****University of Kentucky**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>241 Purchase Compressed Video-Hazard</b>								
PRJ4551949								
Restricted Funds			141,000	141,000				
<b>Project Total</b>			<b>141,000</b>	<b>141,000</b>				
<b>242 Purchase Integrated Imaging System</b>								
PRJ4552122								
Restricted Funds			130,000	130,000				
<b>Project Total</b>			<b>130,000</b>	<b>130,000</b>				
<b>243 Law School Building - Design</b>								
PRJ4552589								
Restricted Funds				6,000,000	6,000,000			
Other Funds				14,920,000	14,920,000			
<b>Project Total</b>				<b>20,920,000</b>	<b>20,920,000</b>			
<b>244 Digital Technologies Building - Design</b>								
PRJ4552591								
Restricted Funds				4,200,000	4,200,000			
Other Funds				6,410,000	6,410,000			
<b>Project Total</b>				<b>10,610,000</b>	<b>10,610,000</b>			
<b>245 Expand Pence Hall</b>								
PRJ4552593								
Other Funds				4,300,000	4,300,000			
<b>Project Total</b>				<b>4,300,000</b>	<b>4,300,000</b>			
<b>246 Construct Track and Field Facility</b>								
PRJ4552595								
Other Funds				7,139,000	7,139,000			
<b>Project Total</b>				<b>7,139,000</b>	<b>7,139,000</b>			
<b>247 Construct Hagan Baseball Stadium Clubhouse</b>								
PRJ4552597								
Other Funds				4,000,000	4,000,000			
<b>Project Total</b>				<b>4,000,000</b>	<b>4,000,000</b>			

**K - Postsecondary Education****Capital Budget****University of Kentucky**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>248 Renovate - Expand Boone Faculty Center</b>								
PRJ4552599								
Other Funds				6,200,000	6,200,000			
<b>Project Total</b>				<b>6,200,000</b>	<b>6,200,000</b>			
<b>249 Seal/Waterproof Commonwealth Stadium Concrete</b>								
PRJ4552601								
Other Funds				2,500,000	2,500,000			
<b>Project Total</b>				<b>2,500,000</b>	<b>2,500,000</b>			
<b>250 Install Scoreboards Coliseum/Hagan Stadium</b>								
PRJ4552603								
Other Funds				1,500,000	1,500,000			
<b>Project Total</b>				<b>1,500,000</b>	<b>1,500,000</b>			
<b>251 Replace Memorial Coliseum Playing Surface</b>								
PRJ4552605								
Other Funds				725,000	725,000			
<b>Project Total</b>				<b>725,000</b>	<b>725,000</b>			
<b>252 Paint Commonwealth Stadium Steel</b>								
PRJ4552607								
Other Funds				750,000	750,000			
<b>Project Total</b>				<b>750,000</b>	<b>750,000</b>			
<b>253 Renovate Soccer/Softball Facilities</b>								
PRJ4552609								
Other Funds				1,400,000	1,400,000			
<b>Project Total</b>				<b>1,400,000</b>	<b>1,400,000</b>			
<b>254 Renovate Practice Instruction Space in Pharmacy</b>								
PRJ4552611								
Restricted Funds				3,310,000	3,310,000			
Other Funds				1,000,000	1,000,000			
<b>Project Total</b>				<b>4,310,000</b>	<b>4,310,000</b>			

**K - Postsecondary Education****Capital Budget****University of Kentucky**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008			
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
255	Renovate Memorial Coliseum								
PRJ4552613									
Other Funds					4,731,000	4,731,000			
Project Total					4,731,000	4,731,000			
256	Construct Commonwealth Stadium Suite Addition								
PRJ4552615									
Other Funds					2,300,000	2,300,000			
Project Total					2,300,000	2,300,000			
257	Construct New Alumni Center								
PRJ4552617									
Other Funds					17,344,000	17,344,000			
Project Total					17,344,000	17,344,000			
258	Gluck Equine Research Center - Phase II - Design								
PRJ4552619									
Restricted Funds					2,000,000	2,000,000			
Other Funds					1,500,000	1,500,000			
Project Total					3,500,000	3,500,000			
259	KY Transportation Center Building - Phase I - Design								
PRJ4552621									
Federal Funds					2,500,000	2,500,000			
Other Funds					1,500,000	1,500,000			
Project Total					4,000,000	4,000,000			
260	Expand Arboretum Visitor Center								
PRJ4552623									
Other Funds					2,870,000	2,870,000			
Project Total					2,870,000	2,870,000			
261	Biomedical Research Building - Design								
PRJ4552625									
Restricted Funds					7,600,000	7,600,000			
Project Total					7,600,000	7,600,000			

## K - Postsecondary Education

## Capital Budget

## University of Kentucky

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>262      Renovate Blazer Hall Cafeteria (VETOED BY GOVERNOR)</b>								
PRJ4552157								
Agency Bonds			<div>3,010,000</div>					
<b>Project Total</b>								
<b>263      Renovate Student Center Food Court</b>								
PRJ4552627								
Restricted Funds			1,643,000			1,643,000		
<b>Project Total</b>			<b>1,643,000</b>			<b>1,643,000</b>		
<b>264      Renovate K-Lair Building</b>								
PRJ4552629								
Restricted Funds			4,650,000			4,650,000		
<b>Project Total</b>			<b>4,650,000</b>			<b>4,650,000</b>		
<b>265      Renovate SECAT Building at Coldstream</b>								
PRJ4552631								
Restricted Funds			2,000,000			2,000,000		
<b>Project Total</b>			<b>2,000,000</b>			<b>2,000,000</b>		
<b>266      Purchase Furniture and Equipment - Patient Care Facility</b>								
PRJ4552633								
Restricted Funds			27,000,000			27,000,000		
<b>Project Total</b>			<b>27,000,000</b>			<b>27,000,000</b>		
<b>267      Install HVAC in Keeneland Hall (VETOED BY GOVERNOR)</b>								
PRJ4551866								
Agency Bonds			<div>7,013,000</div>					
<b>Project Total</b>								
<b>268      Fayette Co - Lease Administrative Office</b>								
PRJ4552586								
Restricted Funds								
<b>Project Total</b>								
<b>269      Fayette Co - Lease Health Affairs Office #2</b>								
PRJ4552585								
Restricted Funds								
<b>Project Total</b>								

## Capital Budget

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
270	Fayette County - Health Affairs - Office Lease 3							
PRJ4552635								
Restricted Funds								
Project Total								
271	Fayette Co - Lease Health Affairs Office							
PRJ4552584								
Restricted Funds								
Project Total								
272	Clinic Blazer Parkway - Lease							
PRJ4552581								
Restricted Funds								
Project Total								
273	Med Center Contract Sponsored Programs - Lease							
PRJ4552580								
Restricted Funds								
Project Total								
274	Med Center Off-Campus Patient Facility - Lease							
PRJ4552579								
Restricted Funds								
Project Total								
275	Med Center - Grant Projects - Lease							
PRJ4552578								
Restricted Funds								
Project Total								
276	College of Pharmacy - Contracted Program - Lease							
PRJ4552577								
Restricted Funds								
Project Total								
277	College of Medicine Off-Campus Clinic - Lease							
PRJ4552576								
Restricted Funds								
Project Total								



**K - Postsecondary Education****Capital Budget****University of Kentucky**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
278 Kentucky Utilities Building - Lease								
PRJ4552575								
Restricted Funds								
Project Total								
279 Guaranteed Energy Savings Performance Contracts								
PRJ4552587								
Restricted Funds								
Project Total								
280 Upgrade Nutrition Services II - Hospital								
PRJ4552228								
Restricted Funds			1,278,000	1,278,000				
Project Total			1,278,000	1,278,000				
281 Lease-Purchase Pollution Controls								
PRJ4552637								
Restricted Funds				10,000,000	10,000,000			
Project Total				10,000,000	10,000,000			
282 Construct Gatton Building Complex, Phase I								
PRJ4552639								
Other Funds				38,837,000	38,837,000			
Project Total				38,837,000	38,837,000			
283 Lease-Purchase Hospital Dining Facilities and Equipment								
PRJ4552641								
Restricted Funds				1,500,000	1,500,000			
Project Total				1,500,000	1,500,000			
284 Lease-Purchase Student Center Bookstore Facility								
PRJ4552643								
Restricted Funds				4,000,000	4,000,000			
Project Total				4,000,000	4,000,000			
285 Renovate Blazer Hall Cafeteria								
PRJ4552645								
Restricted Funds				4,500,000	4,500,000			
Project Total				4,500,000	4,500,000			

**K - Postsecondary Education****Capital Budget****University of Kentucky**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>286</b>	<b>Replace &amp; Relocate WUKY-PBS Antenna &amp; Transmitter</b>							
PRJ4552647								
Restricted Funds								
Federal Funds								
Other Funds								
<b>Project Total</b>			<b>863,100</b>			<b>863,100</b>		
<b>TOTAL CAPITAL</b>			<b>1,216,416,000</b>			<b>1,433,802,100</b>		

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.

## K - Postsecondary Education

## Operating Budget

## University of Louisville

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	183,687,900	183,687,900		187,406,500	187,484,800	78,300	183,115,400	191,346,100	8,230,700
Restricted Funds	395,459,800	395,459,800		445,336,100	445,336,100		502,019,800	502,019,800	
Federal Funds	118,679,400	118,679,400		136,481,300	136,481,300		156,953,600	156,953,600	
<b>Regular Total Funds</b>	<b>697,827,100</b>	<b>697,827,100</b>		<b>769,223,900</b>	<b>769,302,200</b>	<b>78,300</b>	<b>842,088,800</b>	<b>850,319,500</b>	<b>8,230,700</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>697,827,100</b>	<b>697,827,100</b>		<b>769,223,900</b>	<b>769,302,200</b>	<b>78,300</b>	<b>842,088,800</b>	<b>850,319,500</b>	<b>8,230,700</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	435,494,100	435,494,100		480,012,000	480,012,000		529,628,600	529,628,600	
Operating Expenses	181,801,900	181,801,900		208,912,500	208,990,800	78,300	239,320,500	247,551,200	8,230,700
Grants, Loans, Benefits	37,447,500	37,447,500		37,447,500	37,447,500		37,447,500	37,447,500	
Debt Service	17,667,600	17,667,600		17,435,900	17,435,900		10,276,200	10,276,200	
Capital Outlay	25,416,000	25,416,000		25,416,000	25,416,000		25,416,000	25,416,000	
<b>TOTAL EXPENDITURES</b>	<b>697,827,100</b>	<b>697,827,100</b>		<b>769,223,900</b>	<b>769,302,200</b>	<b>78,300</b>	<b>842,088,800</b>	<b>850,319,500</b>	<b>8,230,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	183,687,900	183,687,900		183,794,200	183,794,200		177,208,700	177,208,700	
Restricted Funds	395,459,800	395,459,800		395,459,800	395,459,800		395,459,800	395,459,800	
Federal Funds	118,679,400	118,679,400		118,679,400	118,679,400		118,679,400	118,679,400	
<b>Regular Total Funds</b>	<b>697,827,100</b>	<b>697,827,100</b>		<b>697,933,400</b>	<b>697,933,400</b>		<b>691,347,900</b>	<b>691,347,900</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>697,827,100</b>	<b>697,827,100</b>		<b>697,933,400</b>	<b>697,933,400</b>		<b>691,347,900</b>	<b>691,347,900</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				3,612,300	3,690,600	78,300	5,906,700	14,137,400	8,230,700
Restricted Funds				49,876,300	49,876,300		106,560,000	106,560,000	
Federal Funds				17,801,900	17,801,900		38,274,200	38,274,200	
<b>TOTAL ADDITIONAL</b>				<b>71,290,500</b>	<b>71,368,800</b>	<b>78,300</b>	<b>150,740,900</b>	<b>158,971,600</b>	<b>8,230,700</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB</b>	<b>University of Louisville - Base Funding</b>								
ABR4600001	Provides General Fund for a base increase at the University.								
General Fund				3,612,300	3,390,600	(221,700)	5,906,700	13,837,400	7,930,700
<b>Project Total</b>				<b>3,612,300</b>	<b>3,390,600</b>	<b>(221,700)</b>	<b>5,906,700</b>	<b>13,837,400</b>	<b>7,930,700</b>

**K - Postsecondary Education****Operating Budget****University of Louisville**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 EXPAN Equine Industry Program</b>								
ABR4600014 Provides General Fund in each year of the biennium for equine industry program.								
General Fund				300,000	300,000		300,000	300,000
<b>Project Total</b>				<b>300,000</b>	<b>300,000</b>		<b>300,000</b>	<b>300,000</b>
<b>3 GB University of Louisville - Growth in Restricted and Federal Funds</b>								
ABR4600004 Provide Restricted and Federal Funds increases in enrollment, tuition and fees, and grants and contracts								
Restricted Funds			49,876,300	49,876,300		106,560,000	106,560,000	
Federal Funds			17,801,900	17,801,900		38,274,200	38,274,200	
<b>Project Total</b>			<b>67,678,200</b>	<b>67,678,200</b>		<b>144,834,200</b>	<b>144,834,200</b>	
<b>TOTAL ADDITIONAL</b>			<b>71,290,500</b>	<b>71,368,800</b>	<b>78,300</b>	<b>150,740,900</b>	<b>158,971,600</b>	<b>8,230,700</b>

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**University of Louisville**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget includes \$3,612,300 in fiscal year 2006-2007 and \$2,294,400 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Debt Service:** Included in the above General Fund appropriation is \$10,951,200 in fiscal year 2006-2007 and \$3,791,500 in fiscal year 2007-2008 for debt service for previously issued bonds."

**"Quality and Charity Care Trust Agreement:** Included in the above General Fund appropriation is \$18,408,100 in fiscal year 2006-2007 and \$18,982,300 in fiscal year 2007-2008 to fulfill the Commonwealth's contractual obligation relating to indigent care furnished via the Quality and Charity Care Trust Agreement."

"Notwithstanding KRS 45.229, the General Fund appropriation related to the Quality and Charity Trust Agreement in fiscal year 2006-2007 shall not lapse."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Budget Bill Branch with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriation of \$3,390,600 in fiscal year 2006-2007 and \$13,837,400 in fiscal year 2007-2008 for base funding.

The General Assembly includes the following language provisions:

**"Equine Industry Program:** Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 and \$300,000 in fiscal year 2007-2008 for the Equine Industry Program."

**"Saturday Academy Program:** The University of Louisville is encouraged to provide funding for the Saturday Academy Program."

**"Signature Partnership Program:** The University of Louisville is encouraged to provide funding for the Signature Partnership Program."

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The General Assembly provides in Part II, Capital Budget, additional Bond Funds authorization of \$3,683,000 in fiscal year 2006-2007, for a total of \$69,680,000, for construction of the HSC Research Facility, Phase III, additional.

The General Assembly provides in Part II, Capital Budget, additional Agency Bonds authorization of \$1,451,000 in fiscal year 2006-2007, for a total of \$13,000,000, for the construction of the Center for Predictive Medicine.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$5,000,000 in fiscal year 2006-2007 for the construction of the Athletic Academic Support Facility.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$2,947,000 in fiscal year 2006-2007 for the construction of the Boathouse for Womens Rowing Program.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$685,000 in fiscal year 2006-2007 for the construction of the Cardinal Club Golf Practice Facility.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$5,898,000 in fiscal year 2007-2008 for the construction of the Diversity Center for Excellence.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$3,015,000 in fiscal year 2006-2007 for the construction of the Glass and Visual Arts Research Center.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$2,200,000 in fiscal year 2006-2007 for the construction of the Eastern Parkway Improvement.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$3,200,000 in fiscal year 2006-2007 for the expansion of Tragar Field Hockey Stadium.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$35,170,000 in fiscal year 2006-2007 and Other Funds authorization of \$2,000,000 in fiscal year 2006-2007 for the expansion and renovation of the Dental School.

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The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$5,095,000 in fiscal year 2006-2007 for the purchase of Support Service Land (Northeast Quad).

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$18,240,000 in fiscal year 2006-2007 for the renovation of the Life Sciences Building.

The General Assembly provides in Part II, Capital Budget, Other Funds authorization of \$1,800,000 in fiscal year 2006-2007 for the renovation of the PJCS Scoreboard/Video Replacement.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$20,500,000 in fiscal year 2006-2007 and Other Funds authorization of \$6,040,000 in fiscal year 2006-2007 for the construction of the Executive MBA/Business Program.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$19,800,000 in fiscal year 2006-2007 for renovation of the Medical Dental Building, Phase IV.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$16,140,000 in fiscal year 2006-2007 for construction of the Basketball Practice Facility.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$26,113,000 in fiscal year 2006-2007 for Construction of the Health Science Center Parking Structure, II.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$11,541,000 in fiscal year 2006-2007 for renovation of Miller Hall.

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

Page 210, lines 20 through 27, in their entirety. . . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that*

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*the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*



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	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				106,334,000	187,539,000	81,205,000	1,700,000	1,700,000	
Federal Funds				30,701,000	30,701,000		3,290,000	3,290,000	
Bond Funds				65,997,000	69,680,000	3,683,000			
Agency Bonds				11,549,000	13,000,000	1,451,000			
Other Funds				6,250,000	30,937,000	24,687,000	2,470,000	8,368,000	5,898,000
<b>TOTAL CAPITAL</b>				<b>220,831,000</b>	<b>331,857,000</b>	<b>111,026,000</b>	<b>7,460,000</b>	<b>13,358,000</b>	<b>5,898,000</b>
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Construct - HSC Research Facility Phase III additional</b>								
PRJ4602429									
Bond Funds				65,997,000	69,680,000	3,683,000			
<b>Project Total</b>				<b>65,997,000</b>	<b>69,680,000</b>	<b>3,683,000</b>			
<b>2</b>	<b>Construct - Center for Predictive Medicine</b>								
PRJ4602581									
Federal Funds				22,200,000	22,200,000				
Agency Bonds				11,549,000	13,000,000	1,451,000			
<b>Project Total</b>				<b>33,749,000</b>	<b>35,200,000</b>	<b>1,451,000</b>			
<b>3</b>	<b>Renovate - Ekstrom Library</b>								
PRJ4602427									
Restricted Funds				22,081,000	22,081,000				
<b>Project Total</b>				<b>22,081,000</b>	<b>22,081,000</b>				
<b>4</b>	<b>Capital Renewal Pool (2006-2008)</b>								
PRJ4602387									
Restricted Funds				22,000,000	22,000,000				
<b>Project Total</b>				<b>22,000,000</b>	<b>22,000,000</b>				
<b>5</b>	<b>Major Item of Equipment Pool</b>								
PRJ4602591									
Restricted Funds				100,000	100,000		1,700,000	1,700,000	
Federal Funds				7,501,000	7,501,000		3,290,000	3,290,000	
Other Funds				6,250,000	6,250,000		2,470,000	2,470,000	
<b>Project Total</b>				<b>13,851,000</b>	<b>13,851,000</b>		<b>7,460,000</b>	<b>7,460,000</b>	

**K - Postsecondary Education****Capital Budget****University of Louisville**

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>6</b>	<b>Expand &amp; Renovate - Founders Union Building</b>									
PRJ4602430										
Restricted Funds					12,190,000	12,190,000				
<b>Project Total</b>					<b>12,190,000</b>	<b>12,190,000</b>				
<b>7</b>	<b>Utility Distribution - South Belknap Campus</b>									
PRJ4602426										
Restricted Funds					6,821,000	6,821,000				
<b>Project Total</b>					<b>6,821,000</b>	<b>6,821,000</b>				
<b>8</b>	<b>Construct - Student Health Facility</b>									
PRJ4602589										
Restricted Funds					6,650,000	6,650,000				
<b>Project Total</b>					<b>6,650,000</b>	<b>6,650,000</b>				
<b>9</b>	<b>Renovate - Kersey Library</b>									
PRJ4602425										
Restricted Funds					4,630,000	4,630,000				
<b>Project Total</b>					<b>4,630,000</b>	<b>4,630,000</b>				
<b>10</b>	<b>Renovate - Medical School Tower-55A, Phase II</b>									
PRJ4602431										
Restricted Funds					4,225,000	4,225,000				
<b>Project Total</b>					<b>4,225,000</b>	<b>4,225,000</b>				
<b>11</b>	<b>Purchase - Digital Communications System</b>									
PRJ4602381										
Restricted Funds					4,000,000	4,000,000				
<b>Project Total</b>					<b>4,000,000</b>	<b>4,000,000</b>				
<b>12</b>	<b>Purchase - Real Estate Near Health Science Campus - Parcel II</b>									
PRJ4602439										
Restricted Funds					3,875,000	3,875,000				
<b>Project Total</b>					<b>3,875,000</b>	<b>3,875,000</b>				
<b>13</b>	<b>Renovate - Code Improvement Pool</b>									
PRJ4602388										
Restricted Funds					3,191,000	3,191,000				
<b>Project Total</b>					<b>3,191,000</b>	<b>3,191,000</b>				

**K - Postsecondary Education****Capital Budget****University of Louisville**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008			
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
14	Purchase - Networking System								
PRJ4602380									
Restricted Funds				3,000,000	3,000,000				
Project Total				3,000,000	3,000,000				
15	Purchase - Enterprise Application System								
PRJ4601322									
Restricted Funds				2,000,000	2,000,000				
Project Total				2,000,000	2,000,000				
16	Purchase - Computer Processing System								
PRJ4601318									
Restricted Funds				2,000,000	2,000,000				
Project Total				2,000,000	2,000,000				
17	Expand & Renovate - Oppenheimer Hal - Additional								
PRJ4602375									
Restricted Funds				1,654,000	1,654,000				
Project Total				1,654,000	1,654,000				
18	Purchase - Electronic Research Information System								
PRJ4602385									
Restricted Funds				1,080,000	1,080,000				
Project Total				1,080,000	1,080,000				
19	Purchase - Robotic Telescope System								
PRJ4602391									
Federal Funds				1,000,000	1,000,000				
Project Total				1,000,000	1,000,000				
20	Purchase - Storage System								
PRJ4602379									
Restricted Funds				1,000,000	1,000,000				
Project Total				1,000,000	1,000,000				
21	Lease - Digital Output System								
PRJ4601317									
Restricted Funds				1,000,000	1,000,000				
Project Total				1,000,000	1,000,000				

**K - Postsecondary Education****Capital Budget****University of Louisville**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>22 Lease-Purchase - Visualization System</b>								
PRJ4601316								
Restricted Funds			1,000,000	1,000,000				
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>				
<b>23 Purchase - Artificial Turf - Practice Field Facility</b>								
PRJ4602372								
Restricted Funds			750,000	750,000				
<b>Project Total</b>			<b>750,000</b>	<b>750,000</b>				
<b>24 Renovate - Housing - Capital Renewal Pool</b>								
PRJ4602390								
Restricted Funds			710,000	710,000				
<b>Project Total</b>			<b>710,000</b>	<b>710,000</b>				
<b>25 Purchase - Health Research Data System</b>								
PRJ4602394								
Restricted Funds			700,000	700,000				
<b>Project Total</b>			<b>700,000</b>	<b>700,000</b>				
<b>26 Renovate - Natural Science Building</b>								
PRJ4602367								
Restricted Funds			540,000	540,000				
<b>Project Total</b>			<b>540,000</b>	<b>540,000</b>				
<b>27 Shelby Campus Dormitories Demolition</b>								
PRJ4602424								
Restricted Funds			436,000	436,000				
<b>Project Total</b>			<b>436,000</b>	<b>436,000</b>				
<b>28 Purchase - New Computers for College of Business and Public Affairs (CBPA)</b>								
PRJ4602392								
Restricted Funds			300,000	300,000				
<b>Project Total</b>			<b>300,000</b>	<b>300,000</b>				
<b>29 Purchase - PCs, Printers, Scanners</b>								
PRJ4601319								
Restricted Funds			200,000	200,000				
<b>Project Total</b>			<b>200,000</b>	<b>200,000</b>				

**K - Postsecondary Education****Capital Budget****University of Louisville**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>30 Purchase Linux Cluster Computer System</b>								
PRJ4602393								
Restricted Funds			125,000	125,000				
<b>Project Total</b>			<b>125,000</b>	<b>125,000</b>				
<b>31 Renovate Chemistry Fume Hood Redesign, Phase II - Additional</b>								
PRJ4602370								
Restricted Funds			76,000	76,000				
<b>Project Total</b>			<b>76,000</b>	<b>76,000</b>				
<b>32 Construct Athletic Academic Support Facility</b>								
PRJ4602595								
Other Funds				5,000,000	5,000,000			
<b>Project Total</b>				<b>5,000,000</b>	<b>5,000,000</b>			
<b>33 Construct Boathouse for Womens Rowing Program</b>								
PRJ4602597								
Other Funds				2,947,000	2,947,000			
<b>Project Total</b>				<b>2,947,000</b>	<b>2,947,000</b>			
<b>34 Construct Cardinal Club Golf Practice Facility</b>								
PRJ4602599								
Other Funds				685,000	685,000			
<b>Project Total</b>				<b>685,000</b>	<b>685,000</b>			
<b>35 Construct Diversity Center for Excellence</b>								
PRJ4602601								
Other Funds							5,898,000	5,898,000
<b>Project Total</b>							<b>5,898,000</b>	<b>5,898,000</b>
<b>36 Construct Executive MBA/Business Program</b>								
PRJ4602603								
Restricted Funds				20,500,000	20,500,000			
Other Funds				6,040,000	6,040,000			
<b>Project Total</b>				<b>26,540,000</b>	<b>26,540,000</b>			

**K - Postsecondary Education****Capital Budget****University of Louisville**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>37 Construct Glass and Visual Arts Research Center</b>								
PRJ4602605								
Other Funds				3,015,000	3,015,000			
<b>Project Total</b>				<b>3,015,000</b>	<b>3,015,000</b>			
<b>38 Construct Eastern Parkway Improvement</b>								
PRJ4602607								
Restricted Funds				2,200,000	2,200,000			
<b>Project Total</b>				<b>2,200,000</b>	<b>2,200,000</b>			
<b>39 Expand Tragar Field Hockey Stadium</b>								
PRJ4602609								
Other Funds				3,200,000	3,200,000			
<b>Project Total</b>				<b>3,200,000</b>	<b>3,200,000</b>			
<b>40 Expand and Renovate Dental School</b>								
PRJ4602611								
Restricted Funds				35,170,000	35,170,000			
Other Funds				2,000,000	2,000,000			
<b>Project Total</b>				<b>37,170,000</b>	<b>37,170,000</b>			
<b>41 Purchase Support Service Land (Northeast Quad)</b>								
PRJ4602613								
Restricted Funds				5,095,000	5,095,000			
<b>Project Total</b>				<b>5,095,000</b>	<b>5,095,000</b>			
<b>42 Renovate PJCS Scoreboard/Video Replacement</b>								
PRJ4602615								
Other Funds				1,800,000	1,800,000			
<b>Project Total</b>				<b>1,800,000</b>	<b>1,800,000</b>			
<b>43 Renovate - Medical Dental Res Building, Phase IV (VETOED BY GOVERNOR)</b>								
PRJ4602373								
Agency Bonds				19,800,000				
<b>Project Total</b>								

## K - Postsecondary Education

## Capital Budget

## University of Louisville

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>44 Purchase Real Estate Near HSC and Renovate Offices Reauthorization (\$20,500,000 Restricted Funds)</b>								
PRJ4602621								
Agency Bonds								
<b>Project Total</b>								
<b>45 Renovate Shelby Campus Infrastructure Reauthorization (\$8,740,000 Restricted Funds)</b>								
PRJ4602623								
Agency Bonds								
<b>Project Total</b>								
<b>46 Jefferson County - Lease</b>								
PRJ4602625								
Agency Bonds								
<b>Project Total</b>								
<b>47 Guaranteed Energy Savings Performance Contracts</b>								
PRJ4602389								
Other Funds								
<b>Project Total</b>								
<b>48 Medical Center One Lease</b>								
PRJ4602588								
Restricted Funds								
<b>Project Total</b>								
<b>49 Construct - Basketball Practice Facility (VETOED BY GOVERNOR)</b>								
PRJ4602586								
Agency Bonds								
<b>Project Total</b>								
<b>50 Construct - HSC Parking Structure II (VETOED BY GOVERNOR)</b>								
PRJ4602587								
Agency Bonds								
<b>Project Total</b>								
<b>51 Renovate Miller Hall (VETOED BY GOVERNOR)</b>								
PRJ4602627								
Agency Bonds								
<b>Project Total</b>								

**K - Postsecondary Education****Capital Budget****University of Louisville**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
52 Expand Ambulatory Care building Academic Addition Reauthorization (\$43,061,800 Restricted Funds)								
PRJ4602619								
Agency Bonds								
Project Total								
53 Renovate - Life Sciences Building								
PRJ4602368								
Restricted Funds				18,240,000	18,240,000			
Project Total				18,240,000	18,240,000			
54 Construct Utilities, Remove Overhead Lines Reauthorization (\$3,194,000 Restricted Funds)								
PRJ4602617								
Agency Bonds								
Project Total								
TOTAL CAPITAL			220,831,000	331,857,000	111,026,000	7,460,000	13,358,000	5,898,000

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.



## K - Postsecondary Education

## Operating Budget

## Western Kentucky University

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	78,038,800	78,038,800		79,666,100	80,224,200	558,100	78,647,400	86,396,200	7,748,800
Restricted Funds	157,685,200	157,685,200		175,046,300	175,046,300		183,059,600	183,059,600	
Federal Funds	36,862,000	36,862,000		40,428,600	40,428,600		42,390,300	42,390,300	
<b>Regular Total Funds</b>	<b>272,586,000</b>	<b>272,586,000</b>		<b>295,141,000</b>	<b>295,699,100</b>	<b>558,100</b>	<b>304,097,300</b>	<b>311,846,100</b>	<b>7,748,800</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>272,586,000</b>	<b>272,586,000</b>		<b>295,141,000</b>	<b>295,699,100</b>	<b>558,100</b>	<b>304,097,300</b>	<b>311,846,100</b>	<b>7,748,800</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	144,893,600	144,893,600		158,100,600	158,100,600		162,194,900	162,194,900	
Operating Expenses	74,037,400	74,037,400		78,368,200	78,926,300	558,100	79,935,700	87,684,500	7,748,800
Grants, Loans, Benefits	42,188,000	42,188,000		46,088,000	46,088,000		49,988,000	49,988,000	
Debt Service	5,006,500	5,006,500		5,018,700	5,018,700		4,058,500	4,058,500	
Capital Outlay	6,460,500	6,460,500		7,565,500	7,565,500		7,920,200	7,920,200	
<b>TOTAL EXPENDITURES</b>	<b>272,586,000</b>	<b>272,586,000</b>		<b>295,141,000</b>	<b>295,699,100</b>	<b>558,100</b>	<b>304,097,300</b>	<b>311,846,100</b>	<b>7,748,800</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	78,038,800	78,038,800		78,007,600	78,007,600		76,117,200	76,117,200	
Restricted Funds	157,685,200	157,685,200		157,685,200	157,685,200		157,684,900	157,684,900	
Federal Funds	36,862,000	36,862,000		36,862,000	36,862,000		36,862,000	36,862,000	
<b>Regular Total Funds</b>	<b>272,586,000</b>	<b>272,586,000</b>		<b>272,554,800</b>	<b>272,554,800</b>		<b>270,664,100</b>	<b>270,664,100</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>272,586,000</b>	<b>272,586,000</b>		<b>272,554,800</b>	<b>272,554,800</b>		<b>270,664,100</b>	<b>270,664,100</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				1,658,500	2,216,600	558,100	2,530,200	10,279,000	7,748,800
Restricted Funds				17,361,100	17,361,100		25,374,700	25,374,700	
Federal Funds				3,566,600	3,566,600		5,528,300	5,528,300	
<b>TOTAL ADDITIONAL</b>				<b>22,586,200</b>	<b>23,144,300</b>	<b>558,100</b>	<b>33,433,200</b>	<b>41,182,000</b>	<b>7,748,800</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Western Kentucky - Base Funding</b>									
ABR4650003 Provides General Fund for a base increase at the University.									
General Fund				1,658,500	1,716,600	58,100	2,530,200	7,479,000	4,948,800
<b>Project Total</b>				<b>1,658,500</b>	<b>1,716,600</b>	<b>58,100</b>	<b>2,530,200</b>	<b>7,479,000</b>	<b>4,948,800</b>

**K - Postsecondary Education****Operating Budget****Western Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 NEW Western Kentucky University - KY Academy of Math &amp; Science</b>								
ABR4650004 Provide General Fund for operating costs of the KY Academy of Math & Science.								
General Fund				500,000	500,000		2,800,000	2,800,000
<b>Project Total</b>				<b>500,000</b>	<b>500,000</b>		<b>2,800,000</b>	<b>2,800,000</b>
<b>3 GB Western Kentucky University - Restricted Funds and Federal Funds</b>								
ABR4650001 Provides Restricted Funds and Federal Funds for increases in enrollment, tuition and fees, and grants and contracts.								
Restricted Funds			17,361,100	17,361,100		25,374,700	25,374,700	
Federal Funds			3,566,600	3,566,600		5,528,300	5,528,300	
<b>Project Total</b>			<b>20,927,700</b>	<b>20,927,700</b>		<b>30,903,000</b>	<b>30,903,000</b>	
<b>TOTAL ADDITIONAL</b>			<b>22,586,200</b>	<b>23,144,300</b>	<b>558,100</b>	<b>33,433,200</b>	<b>41,182,000</b>	<b>7,748,800</b>

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**Western Kentucky University**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget includes \$1,658,500 in fiscal year 2006-2007 and \$871,700 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes a language provision that directs:

**"Debt Service:** Included in the above General Fund appropriation is \$3,171,000 in fiscal year 2006-2007 and \$1,280,600 in fiscal year 2007-2008 for debt service on previously issued bonds."

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriation of \$1,716,600 in fiscal year 2006-2007 and \$7,479,000 in fiscal year 2007-2008 for base funding.

The General Assembly amends the Branch, Part I, Operating Budget to include the following language provisions:

**"Kentucky Academy of Math and Science:** Included in the General Fund appropriation is \$500,000 in fiscal year 2006-2007 and \$2,800,000 in fiscal year 2007-2008 for operating costs of the Kentucky Academy of Math and Science."

The General Assembly provides in Part II, Capital Budget, Bond Funds authorization of \$35,000,000 in fiscal year 2006-2007 for the replacement of the College of Education Building-Tate Page Hall.

The General Assembly provides in Part II, Capital Budget, Bond Funds authorization of \$5,800,000 in fiscal year 2006-2007 for the replacement of the Ford College of Business Building-Grise Hall and deletes Restricted Funds authorization of \$5,800,000 in fiscal year 2006-2007 for the same project.

The General Assembly provides in Part II, Capital Budget, additional Agency Bonds authorization of \$2,300,000 in fiscal year 2006-2007 for a total of \$9,000,000, for renovation of the Science Campus, Phase III.

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The General Assembly provides in Part II, Capital Budget, additional Agency Bonds authorization of \$1,344,000 in fiscal year 2006-2007 for a total of \$25,500,000, for renovation of the Academic/Athletic facility #2.

The General Assembly provides in Part II, Capital Budget, additional Agency Bonds authorization of \$189,000 in fiscal year 2006-2007 for a total of \$4,500,000, for the construction of the Materials Characterization/ICSET, Phase II.

The General Assembly provides in Part II, Capital Budget, Restricted Funds authorization of \$4,320,000 in fiscal year 2005-2006 for the renovation of the Downing University Center and deletes Restricted Funds authorization of \$4,320,000 in fiscal year 2006-2007 for the same project.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$16,000,000 in fiscal year 2006-2007 for renovation of Van Meter Hall.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$8,000,000 in fiscal year 2006-2007 for renovation of Ivan Wilson Center.

The General Assembly provides in Part II, Capital Budget, Federal Funds authorization of \$3,000,000 in fiscal year 2006-2007 to construct the Mesonet Weather Monitoring System.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$4,000,000 in fiscal year 2006-2007 to Acquire Property and Construct Parking Lots.

The General Assembly provides in Part II, Capital Budget, Agency Bonds authorization of \$10,000,000 for expansion of Preston Center.

The Governor of the Commonwealth vetoes in part, the following:

Partial Veto #4 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . . .*

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Page 212, line 27, in its entirety.

Page 213, lines 1 through 3, in their entirety.

Page 213, lines 6 through 9, in their entirety. . . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

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**K - Postsecondary Education****Capital Budget****Western Kentucky University**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds		4,320,000	4,320,000	45,568,000	35,448,000	(10,120,000)			
Federal Funds				22,825,000	25,825,000	3,000,000			
Bond Funds				11,011,000	35,000,000	23,989,000			
Agency Bonds				24,156,000	25,500,000	1,344,000			
Other Funds				1,000,000	1,000,000				
<b>TOTAL CAPITAL</b>		<b>4,320,000</b>	<b>4,320,000</b>	<b>104,560,000</b>	<b>122,773,000</b>	<b>18,213,000</b>			
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Renovate Academic/Athletic #2</b>								
PRJ4652446									
Restricted Funds				2,000,000	2,000,000				
Agency Bonds				24,156,000	25,500,000	1,344,000			
Other Funds				1,000,000	1,000,000				
<b>Project Total</b>				<b>27,156,000</b>	<b>28,500,000</b>	<b>1,344,000</b>			
<b>2</b>	<b>Renovate Science Campus Phase III (VETOED BY GOVERNOR)</b>								
PRJ4652578									
Bond Funds				6,700,000	9,000,000	(6,700,000)			
<b>Project Total</b>				<b>6,700,000</b>		<b>(6,700,000)</b>			
<b>3</b>	<b>Construct Materials Characterization/ICSET PH II (VETOED BY GOVERNOR)</b>								
PRJ4652460									
Bond Funds				4,311,000	4,500,000	(4,311,000)			
<b>Project Total</b>				<b>4,311,000</b>		<b>(4,311,000)</b>			
<b>4</b>	<b>Construct Agriculture Research Services Lab</b>								
PRJ4652459									
Federal Funds				22,825,000	22,825,000				
<b>Project Total</b>				<b>22,825,000</b>	<b>22,825,000</b>				
<b>5</b>	<b>Capital Projects Pool</b>								
PRJ4652457									
Restricted Funds				10,195,000	10,195,000				
<b>Project Total</b>				<b>10,195,000</b>	<b>10,195,000</b>				

**K - Postsecondary Education****Capital Budget****Western Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>6 Renovate Electrical Distribution-Phase V</b>								
PRJ4652452								
Restricted Funds			4,500,000	4,500,000				
<b>Project Total</b>			<b>4,500,000</b>	<b>4,500,000</b>				
<b>7 Renovate Downing University Center</b>								
PRJ4652580								
Restricted Funds	4,320,000	4,320,000	4,320,000		(4,320,000)			
<b>Project Total</b>	<b>4,320,000</b>	<b>4,320,000</b>	<b>4,320,000</b>		<b>(4,320,000)</b>			
<b>8 Renovation &amp; Expansion of Carroll Knicely Center</b>								
PRJ4652577								
Restricted Funds			3,500,000	3,500,000				
<b>Project Total</b>			<b>3,500,000</b>	<b>3,500,000</b>				
<b>9 Replace Steam Line</b>								
PRJ4652450								
Restricted Funds			3,000,000	3,000,000				
<b>Project Total</b>			<b>3,000,000</b>	<b>3,000,000</b>				
<b>10 Purchase Property for Campus Expansion</b>								
PRJ4652449								
Restricted Funds			3,000,000	3,000,000				
<b>Project Total</b>			<b>3,000,000</b>	<b>3,000,000</b>				
<b>11 Upgrade IT Infrastructure</b>								
PRJ4652448								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>12 Central Regional Postsecondary Education Center - Elizabethtown, Phase II</b>								
PRJ4652458								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				
<b>13 Renovate ES&amp;T HVAC &amp; Electrical System</b>								
PRJ4652444								
Restricted Funds			2,000,000	2,000,000				
<b>Project Total</b>			<b>2,000,000</b>	<b>2,000,000</b>				



**K - Postsecondary Education****Capital Budget****Western Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>14 Renovate Academic Complex Ph I</b>								
PRJ4652441								
Restricted Funds			1,323,000	1,323,000				
<b>Project Total</b>			<b>1,323,000</b>	<b>1,323,000</b>				
<b>15 Renovate Ag Expo Center HVAC System</b>								
PRJ4652443								
Restricted Funds			930,000	930,000				
<b>Project Total</b>			<b>930,000</b>	<b>930,000</b>				
<b>16 Convert WKUY-NPR and WKUY-PS to Digital</b>								
PRJ4652461								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>17 Renovation of Faculty House</b>								
PRJ4652579								
Restricted Funds			500,000	500,000				
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>				
<b>18 Guaranteed Energy Savings Performance Contracts</b>								
PRJ4652581								
Bond Funds								
<b>Project Total</b>								
<b>19 Replace Building - College of Education-Tate Page Hall</b>								
PRJ4652454								
Bond Funds				35,000,000	35,000,000			
<b>Project Total</b>				<b>35,000,000</b>	<b>35,000,000</b>			
<b>20 Replace Building - Ford College Business-Grise Hall, Phase I (VETOED BY GOVERNOR)</b>								
PRJ4652455								
Restricted Funds			5,800,000		(5,800,000)			
Bond Funds				5,800,000				
<b>Project Total</b>			<b>5,800,000</b>		<b>(5,800,000)</b>			

**K - Postsecondary Education****Capital Budget****Western Kentucky University**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>21 Expand Preston Center (VETOED BY GOVERNOR)</b>								
PRJ4652456								
Agency Bonds				10,000,000				
<b>Project Total</b>								
<b>22 Acquire Property and Construct Parking Lots (VETOED BY GOVERNOR)</b>								
PRJ4652447								
Agency Bonds				4,000,000				
<b>Project Total</b>								
<b>23 Renovate Van Meter Hall-Construction (VETOED BY GOVERNOR)</b>								
PRJ4652462								
Agency Bonds				16,000,000				
<b>Project Total</b>								
<b>24 Renovate Ivan Wilson Center (VETOED BY GOVERNOR)</b>								
PRJ4652442								
Agency Bonds				8,000,000				
<b>Project Total</b>								
<b>25 Construct Mesonet Weather Monitoring System</b>								
PRJ4652587								
Federal Funds				3,000,000	3,000,000			
<b>Project Total</b>				<b>3,000,000</b>	<b>3,000,000</b>			
<b>TOTAL CAPITAL</b>								
	<b>4,320,000</b>	<b>4,320,000</b>	<b>104,560,000</b>	<b>122,773,000</b>	<b>18,213,000</b>			

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.

## K - Postsecondary Education

## Operating Budget

## Kentucky Community and Technical College System

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	201,776,300	201,776,300		206,383,800	212,926,800	6,543,000	208,806,300	226,331,100	17,524,800
Restricted Funds	259,314,300	259,314,300		273,623,700	273,623,700		292,823,500	292,823,500	
Federal Funds	137,323,700	137,323,700		144,916,100	144,916,100		153,070,400	153,070,400	
Regular Total Funds	598,414,300	598,414,300		624,923,600	631,466,600	6,543,000	654,700,200	672,225,000	17,524,800
Use of Continuing									
TOTAL FUNDS	598,414,300	598,414,300		624,923,600	631,466,600	6,543,000	654,700,200	672,225,000	17,524,800
II. EXPENDITURE CATEGORY									
Personnel Costs	296,756,800	296,756,800		310,544,700	310,844,700	300,000	326,051,600	326,051,600	
Operating Expenses	132,369,900	132,369,900		137,396,300	143,639,300	6,243,000	142,721,700	160,246,500	17,524,800
Grants, Loans, Benefits	156,325,800	156,325,800		163,852,500	163,852,500		172,584,300	172,584,300	
Capital Outlay	12,961,800	12,961,800		13,130,100	13,130,100		13,342,600	13,342,600	
TOTAL EXPENDITURES	598,414,300	598,414,300		624,923,600	631,466,600	6,543,000	654,700,200	672,225,000	17,524,800
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	201,776,300	201,776,300		201,776,300	201,776,300		201,776,300	201,776,300	
Restricted Funds	259,314,300	259,314,300		259,314,300	259,314,300		259,314,300	259,314,300	
Federal Funds	137,323,700	137,323,700		137,323,700	137,323,700		137,323,700	137,323,700	
Regular Total Funds	598,414,300	598,414,300		598,414,300	598,414,300		598,414,300	598,414,300	
Use of Continuing									
TOTAL BASE LEVEL	598,414,300	598,414,300		598,414,300	598,414,300		598,414,300	598,414,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				4,607,500	11,150,500	6,543,000	7,030,000	24,554,800	17,524,800
Restricted Funds				14,309,400	14,309,400		33,509,200	33,509,200	
Federal Funds				7,592,400	7,592,400		15,746,700	15,746,700	
TOTAL ADDITIONAL				26,509,300	33,052,300	6,543,000	56,285,900	73,810,700	17,524,800
V. ADDITIONAL BUDGET ITEMS									
1 GB	KCTCS - Base Funding								
ABR4700002	Provides General Fund for a base increase at KCTCS.								
General Fund				4,607,500	4,782,700	175,200	7,030,000	17,754,800	10,724,800
Project Total				4,607,500	4,782,700	175,200	7,030,000	17,754,800	10,724,800

**K - Postsecondary Education****Operating Budget****Kentucky Community and Technical College System**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>2 NEW</b>	<b>Health Care Costs</b>							
ABR4700011	Provides General Fund for health care insurance costs of former UKCCS employees that opted to remain in the UK health care system.							
General Fund							1,000,000	1,000,000
<b>Project Total</b>							<b>1,000,000</b>	<b>1,000,000</b>
<b>3 GB</b>	<b>KCTCS - Maintenance &amp; Operations for New Facilities</b>							
ABR4700007	Provides General Fund in both fiscal years for maintenance and operations of new facilities coming on-line.							
General Fund				267,800	267,800			
<b>Project Total</b>				<b>267,800</b>	<b>267,800</b>			
<b>4 NEW</b>	<b>North American Racing Academy</b>							
ABR4700014	Provides General fund for personnel to develop the North American Racing Academy.							
General Fund				300,000	300,000			
<b>Project Total</b>				<b>300,000</b>	<b>300,000</b>			
<b>5 CONT</b>	<b>Education Programs at Corrections Facilities</b>							
ABR4700015	Provides General Fund for education programs at Dept of Corrections facilities.							
General Fund				5,800,000	5,800,000		5,800,000	5,800,000
<b>Project Total</b>				<b>5,800,000</b>	<b>5,800,000</b>		<b>5,800,000</b>	<b>5,800,000</b>
<b>6 GB</b>	<b>KCTCS - Agency and Federal</b>							
ABR4700006	Provides Restricted Funds and Federal Funds for increased tuition and fees, increased enrollment, and grants and contracts.							
Restricted Funds			14,309,400	14,309,400		33,509,200	33,509,200	
Federal Funds			7,592,400	7,592,400		15,746,700	15,746,700	
<b>Project Total</b>			<b>21,901,800</b>	<b>21,901,800</b>		<b>49,255,900</b>	<b>49,255,900</b>	
<b>TOTAL ADDITIONAL</b>			<b>26,509,300</b>	<b>33,052,300</b>	<b>6,543,000</b>	<b>56,285,900</b>	<b>73,810,700</b>	<b>17,524,800</b>

**TRANSFERS TO THE GENERAL FUND****Kentucky Community and Technical College System**

Firefighters Foundation	2,000,000	2,000,000
Program Fund		
(KRS 95A.220)		
<b>TOTAL</b>	<b>2,000,000</b>	<b>2,000,000</b>

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**Kentucky Community and Technical College System**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill, Part I, Operating Budget includes \$4,607,500 in fiscal year 2006-2007 and \$2,422,500 in fiscal year 2007-2008 for benchmark funding.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Firefighters Foundation Program Fund:** Included in the above Restricted Funds appropriation is \$28,330,500 in fiscal year 2006-2007 and \$29,351,800 in fiscal year 2007-2008 for the Firefighters Foundation Program Fund. Notwithstanding KRS 95A.250(1), or the provisions of any other law, supplemental payments for each qualified professional firefighter under the Firefighters Foundation Program Fund shall be \$3,100 in fiscal year 2006-2007 and \$3,100 in fiscal year 2007-2008. Notwithstanding KRS 95A.200 to 95A.300, \$1,000,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 from the Firefighters Foundation Program Fund is authorized to be expended on firefighter training, equipment, and support activities. Notwithstanding KRS 95A.200 to 95A.300, an additional \$750,000 in fiscal year 2006-2007 and \$1,000,000 in fiscal year 2007-2008 from the Firefighters Foundation Program Fund is authorized to be spent on a comprehensive physical aptitude test program for firefighters."

**"Firefighters Training Center Fund:** Notwithstanding KRS 95A.200 to 95A.265, \$500,000 in Restricted Funds is provided each fiscal year of the 2006-2008 fiscal biennium for the Firefighters Training Center Fund."

**"Postsecondary Workforce Training Program:** Included in the above General Fund appropriation is \$6,000,000 each year of the biennium for the Postsecondary Workforce Training Program to be used for worker training programs. These funds shall be used specifically to meet the customized workforce training needs of individual companies or consortia of companies."

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Firefighters Foundation Program Fund, Restricted Funds of \$2,000,000 in fiscal year 2007-2008 (KRS 95.220).

**GENERAL ASSEMBLY**

The General Assembly concurs with the State/Executive Branch Bill with the following changes:

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$4,782,700 in fiscal year 2006-2007 and \$17,754,800 in fiscal year 2007-2008 for base funding.

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**Kentucky Community and Technical College System**

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$1,000,000 in fiscal year 2007-2008 for health care insurance costs of former UKCCS employees that opted to remain in the UK health care system.

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$267,800 in fiscal year 2006-2007 for maintenance and operations of new facilities coming on-line.

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$300,000 in fiscal year 2006-2007 for the personnel to develop the North American Racing Academy.

The General Assembly provides in Part I, Operating Budget, General Fund appropriations of \$5,800,000 in fiscal year 2006-2007 and \$5,800,000 in fiscal year 2007-2008 for education programs at Department of Correction facilities.

The General Assembly provides in Part I, Operating Budget, the following language provisions:

**"Health Care Coverage:** Included in the above General Fund appropriation is \$1,000,000 in fiscal year 2007-2008 for health care coverage for selected Kentucky Community and Technical College System employees. The University of Kentucky may recover up to \$1,000,000 in fiscal year 2007-2008 from the Kentucky Community and Technical College System for additional costs associated with providing health insurance coverage to those KCTCS employees who remain in the UK personnel system. Such recovery is allowed only to the extent that UK can provide documented proof that the cost of providing health insurance coverage for those KCTCS employees exceeds collected premiums minus deductions for discounts and rebates."

**"Salary Increases:** It is the intent of General Assembly that employees of KCTCS who are in the UK personnel system shall be treated the same with respect to compensation plans and salary increases implemented by KCTCS as all other employees of KCTCS; specifically, KCTCS shall not utilize the practice of providing lower salary increases to KCTCS employees who are in the UK personnel system by offsetting the money paid to UK for the cost of providing health insurance to these employees.

KCTCS shall make no distinction in compensation plans or salary increases among its employees based upon the personnel system to which they belong, except that KCTCS may make up the lower salary increases given in the past to those employees of KCTCS in the UK personnel system which were based upon reimbursing UK for the cost of providing health insurance."

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**Kentucky Community and Technical College System**

**"Family Life Skills Center:** The Kentucky Community and Technical College System is encouraged to provide funds for the Family Life Skills Center at Hazard Community and Technical College - Lees College Campus."

**"Conveyance of Property:** Notwithstanding KRS 164A.575 or KRS Chapter 45A, the Kentucky Community and Technical College System may convey fee simple title to certain of its real property located within the City of Covington, Kentucky, to the Gateway Community and Technical College Foundation, a Kentucky not-for-profit corporation, for future consideration as determined reasonable by the President of the Kentucky Community and Technical College System who is hereby authorized to execute all necessary documents and to take all necessary action to complete the foregoing conveyance."

**"Education Programs at Department of Corrections Facilities:** Included in the above General Fund appropriation is \$5,800,000 in fiscal year 2006-2007 and \$5,800,000 in fiscal year 2007-2008 for education programs at Department of Corrections Facilities. The Kentucky Community and Technical College System (KCTCS) shall continue to be the provider of educational services to the Department of Corrections (DOC). These services include adult basic education classes aimed toward acquiring a general education diploma (GED) and various technical trades aimed toward providing students with certifications and/or diplomas upon completing qualified examinations. The faculty and related staff shall remain employees of KCTCS. KCTCS shall determine curriculum which will facilitate transferability of credits to all Kentucky public postsecondary institutions. KCTCS faculty and related staff shall abide by all rules and regulations of the DOC to ensure that DOC's accreditation requirements and rehabilitation goals are met."

**"Maintenance and Operations of New Facilities:** Included in the above General Fund appropriation is \$267,800 in fiscal year 2006-2007 for maintenance and operation of new facilities coming on-line."

**"North American Racing Academy:** Included in the above General Fund appropriation is \$300,000 in fiscal year 2006-2007 for personnel to develop the North American Racing Academy."

The General Assembly deletes in Part I, Operating Budget, the following language provision:

**"Postsecondary Workforce Training Program:** Included in the above General Fund appropriation is \$6,000,000 each year of the biennium for the Postsecondary Workforce Training Program to be used for worker training programs. These funds shall be used specifically to meet the customized workforce training needs of individual companies or consortia of companies."

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**Kentucky Community and Technical College System**

The General Assembly provides in Part II, Capital Budget, additional Bond Funds authorization of \$1,393,000 in fiscal year 2006-2007, for a total of \$28,000,000, for the construction of the Advanced Manufacturing Technology Center at Gateway Community and Technical College.

The General Assembly provides in Part II, Capital Budget, additional Bond Funds authorization of \$1,045,000 in fiscal year 2006-2007, for a total of \$16,518,000, for the construction of the Emerging Technology Center at West KY Community College.

The General Assembly provides in Part II, Capital Budget, additional Bond Funds authorization of \$815,000 in fiscal year 2006-2007, for a total of \$14,015,000, for the construction of the Allied Health/Technical Education Building at the Laurel Campus of Somerset Community College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$1,000,000 in fiscal year 2006-2007 for construction of the Licking Valley Center, Phase II, of Maysville Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$5,008,000 in fiscal year 2006-2007 for the construction of the Administration Building at Maysville Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Other Funds of \$500,000 in fiscal year 2006-2007 for the Winchester Facility of Bluegrass Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$25,557,000 in fiscal year 2006-2007 for construction of the Science/Allied Health Building at Jefferson Community and Technical College

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$17,600,000 in fiscal year 2006-2007 to construct the Tech Drive Campus, Phase II, at Ashland Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$20,000,000 in fiscal year 2006-2007 to construct the Central Regional Postsecondary Education Center, Phase II, at Elizabethtown Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$4,000,000 in fiscal year 2006-2007 to construct the Energy and Advanced Technology Center at Madisonville Community College.



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**Kentucky Community and Technical College System**

The General Assembly provides in Part II, Capital Budget, Bonds Funds of \$12,000,000 in fiscal year 2006-2007 to construct the Carrollton Campus of Jefferson Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$1,500,000 in fiscal year 2006-2007 for planning and design of the Rowan Campus of Maysville Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$14,055,000 in fiscal year 2006-2007 for construction of the Advanced Technology Center at Owensboro Community and Technical College.

The General Assembly provides in Part II, Capital Budget, General Fund appropriation of \$300,000 in fiscal year 2006-2007 for design of the Postsecondary Education Center at Madisonville Community College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$1,500,000 in fiscal year 2006-2007 for design of the Advance Manufacturing Center at Bluegrass Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$2,700,000 in fiscal year 2006-2007 for expansion of the Franklin Technology Center.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$14,500,000 in fiscal year 2006-2007 for construction of the Springfield Community and Technical College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$6,500,000 in fiscal year 2006-2007 for the McCreary Center of Somerset Community College.

The General Assembly provides in Part II, Capital Budget, Bond Funds of \$4,000,000 in fiscal year 2006-2007 for the Mercer County Technical Center.

The Governor of the Commonwealth vetoes, in part, the following:

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**Kentucky Community and Technical College System**

Partial Veto #4 of HB 380 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following parts: . .*

Page 214, line 4, in its entirety.

Page 215, lines 24 through 25, in their entirety.

Page 216, lines 1 through 2, in their entirety.

Page 216, lines 9 through 12, in their entirety. . .

*These parts represent capital projects authorized for bond financing. I am vetoing these projects because it is my belief that the Commonwealth cannot afford to sustain the debt that would have to be incurred to fund them without jeopardizing its credit rating and financial future. To fund these projects would limit the Commonwealth's ability to adequately fund its operating expenses in the short and long term. The overall level of debt of the Commonwealth has ballooned in recent years. Record levels of debt were approved in both the 2005 General Assembly and the 2006 General Assembly. In comparison to other states, the debt per capita for Kentucky has increased substantially while most states have held constant or reduced their relative debt levels. I do not take issue with the merit of any one of these projects, or their ability to have a positive impact on our Commonwealth. My concern is the overall level of debt that we will rely on our children and grandchildren to honor.*

*The credit rating services closely review the degree to which the Commonwealth can meet recurring expenditures with recurring revenues. I am concerned about the structural imbalance in the operating budget. However, due to the structure of the appropriations Act, there is limited ability to impact the appropriation levels in the budget without jeopardizing entire programs. Many of the projects vetoed herein were only provided with a half year of debt service in the biennium, adding to the structural imbalance that will have to be addressed in the succeeding biennial budget. The debt service for these capital projects represents \$11,076,000 in General Fund appropriations in fiscal year 2007-2008. These appropriations will lapse to the General Fund Surplus account."*

**K - Postsecondary Education****Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>								
General Fund				300,000	300,000			
Restricted Funds			73,630,000	70,030,000	(3,600,000)			
Federal Funds			500,000	500,000				
Bond Funds			55,280,000	155,898,000	100,618,000			
Other Funds			4,260,000	4,385,000	125,000			
<b>TOTAL CAPITAL</b>			<b>133,670,000</b>	<b>231,113,000</b>	<b>97,443,000</b>			

**II. CAPITAL PROJECTS****1 Design Advanced Manufacturing Technology Center - Gateway Community and Technical College**

PRJ4702466

Bond Funds	26,607,000	28,000,000	1,393,000
<b>Project Total</b>	<b>26,607,000</b>	<b>28,000,000</b>	<b>1,393,000</b>

**2 Construct Emerging Technology Center - West KY CTC**

PRJ4702490

Bond Funds	15,473,000	16,518,000	1,045,000
<b>Project Total</b>	<b>15,473,000</b>	<b>16,518,000</b>	<b>1,045,000</b>

**3 Construct Allied Health/Technical Education Building - Laurel Campus**

PRJ4702472

Bond Funds	13,200,000	14,015,000	815,000
<b>Project Total</b>	<b>13,200,000</b>	<b>14,015,000</b>	<b>815,000</b>

**4 KCTCS Equipment Pool**

PRJ4702477

Restricted Funds	22,717,000	22,717,000	
<b>Project Total</b>	<b>22,717,000</b>	<b>22,717,000</b>	

**5 Capital Renewal Pool**

PRJ4702488

Restricted Funds	15,000,000	15,000,000	
<b>Project Total</b>	<b>15,000,000</b>	<b>15,000,000</b>	

**K - Postsecondary Education****Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>6 Complete Acquisition of System Office &amp; Expansion</b>								
PRJ4702494								
Restricted Funds			10,000,000	10,000,000				
<b>Project Total</b>			<b>10,000,000</b>	<b>10,000,000</b>				
<b>7 KCTCS Property Acquisition Pool</b>								
PRJ4702480								
Restricted Funds			5,500,000	5,500,000				
<b>Project Total</b>			<b>5,500,000</b>	<b>5,500,000</b>				
<b>8 Construct Administration Building - Maysville Community and Technical College</b>								
PRJ4702562								
Restricted Funds			4,600,000		(4,600,000)			
Bond Funds				5,008,000	5,008,000			
<b>Project Total</b>			<b>4,600,000</b>	<b>5,008,000</b>	<b>408,000</b>			
<b>9 Construct Licking Valley Center - Phase II - Maysville CTC - Additional (BOND FUNDS VETOED BY GOVERNOR)</b>								
PRJ4702572								
Restricted Funds			2,459,000	3,459,000	1,000,000			
Bond Funds				1,000,000				
Other Funds			1,500,000	1,500,000				
<b>Project Total</b>			<b>3,959,000</b>	<b>4,959,000</b>	<b>1,000,000</b>			
<b>10 Renovate Gray Building - Madisonville CC</b>								
PRJ4702558								
Restricted Funds			3,600,000	3,600,000				
<b>Project Total</b>			<b>3,600,000</b>	<b>3,600,000</b>				
<b>11 Renovate Ky School of Craft - Hazard CTC</b>								
PRJ4702560								
Restricted Funds			2,649,000	2,649,000				
Federal Funds			250,000	250,000				
<b>Project Total</b>			<b>2,899,000</b>	<b>2,899,000</b>				

**K - Postsecondary Education****Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>12 Construct Child Development Center - Henderson CC</b>								
PRJ4702467								
Federal Funds			250,000	250,000				
Other Funds			2,385,000	2,385,000				
<b>Project Total</b>			<b>2,635,000</b>	<b>2,635,000</b>				
<b>13 Renovate Anderson Building - West KY CTC</b>								
PRJ4702561								
Restricted Funds			1,395,000	1,395,000				
<b>Project Total</b>			<b>1,395,000</b>	<b>1,395,000</b>				
<b>14 Renovate Simulated Mine - Harlan Campus</b>								
PRJ4702564								
Restricted Funds			1,380,000	1,380,000				
<b>Project Total</b>			<b>1,380,000</b>	<b>1,380,000</b>				
<b>15 Greenspace Development - Big Sandy CTC - Mayo Campus</b>								
PRJ4702491								
Restricted Funds			1,083,000	1,083,000				
<b>Project Total</b>			<b>1,083,000</b>	<b>1,083,000</b>				
<b>16 Renovate Administration Building - Whitesburg Campus - SEKYCTC</b>								
PRJ4702566								
Restricted Funds			898,000	898,000				
<b>Project Total</b>			<b>898,000</b>	<b>898,000</b>				
<b>17 Renovate Administration Building - Elizabethtown CTC</b>								
PRJ4702565								
Restricted Funds			850,000	850,000				
<b>Project Total</b>			<b>850,000</b>	<b>850,000</b>				
<b>18 Master Plan Development &amp; Upgrade Pool</b>								
PRJ4702473								
Restricted Funds			850,000	850,000				
<b>Project Total</b>			<b>850,000</b>	<b>850,000</b>				

**K - Postsecondary Education****Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>19 Pedestrian/Vehicular Connector - Somerset Community College - Additional</b>								
PRJ4702573								
Restricted Funds			649,000	649,000				
<b>Project Total</b>			<b>649,000</b>	<b>649,000</b>				
<b>20 Winchester Facility - Bluegrass CTC</b>								
PRJ4702574								
Other Funds			375,000	500,000	125,000			
<b>Project Total</b>			<b>375,000</b>	<b>500,000</b>	<b>125,000</b>			
<b>21 Woodford County-City of Versailles - Lease Purchase</b>								
PRJ4702570								
Restricted Funds								
<b>Project Total</b>								
<b>22 Jefferson County - Lease</b>								
PRJ4702569								
Restricted Funds								
<b>Project Total</b>								
<b>23 Henderson County - Lease</b>								
PRJ4702568								
Restricted Funds								
<b>Project Total</b>								
<b>24 Construct Science/Allied Health Building - Jefferson CTC</b>								
PRJ4702465								
Bond Funds				25,557,000	25,557,000			
<b>Project Total</b>				<b>25,557,000</b>	<b>25,557,000</b>			
<b>25 Construct Tech Drive Campus, Phase III,-Ashland CTC</b>								
PRJ4702581								
Bond Funds				17,600,000	17,600,000			
<b>Project Total</b>				<b>17,600,000</b>	<b>17,600,000</b>			
<b>26 Construct Central Regional Postsecondary Ed Center, Phase II, Elizabethtown CTC</b>								
PRJ4702583								
Bond Funds				20,000,000	20,000,000			
<b>Project Total</b>				<b>20,000,000</b>	<b>20,000,000</b>			

**K - Postsecondary Education****Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
27 Energy and Advanced Technology Center-Madisonville CC (VETOED BY GOVERNOR)								
PRJ4702587								
Bond Funds				4,000,000				
Project Total								
28 Carrollton Campus Design-Jefferson CTC (VETOED BY GOVERNOR)								
PRJ4702589								
Bond Funds				12,000,000				
Project Total								
29 Rowan County Campus-Planning and Design-Maysville CTC (VETOED BY GOVERNOR)								
PRJ4702593								
Bond Funds				1,500,000				
Project Total								
30 Advanced Technology Center - Owensboro CTC (VETOED BY GOVERNOR)								
PRJ4702595								
Bond Funds				14,055,000				
Project Total								
31 Guaranteed Energy Savings Performance Contracts								
PRJ4702475								
Other Funds								
Project Total								
32 Scott County - Lease								
PRJ4702571								
Restricted Funds								
Project Total								
33 Madisonville Postsecondary Education Center - Design								
PRJ4702597								
General Fund				300,000		300,000		
Project Total				300,000		300,000		
34 Design - Advance Manufacturing Center - Bluegrass CTC								
PRJ4702601								
Bond Funds				1,500,000		1,500,000		
Project Total				1,500,000		1,500,000		

**K - Postsecondary Education****Capital Budget****Kentucky Community and Technical College System**

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
35 Franklin Technology Center - Expansion								
PRJ4702599								
Bond Funds				2,700,000	2,700,000			
Project Total				2,700,000	2,700,000			
36 KCTCS Information Technology Infrastructure Upgrade								
PRJ4702481								
Restricted Funds								
Project Total								
37 Springfield Community and Technical College								
PRJ4702603								
Bond Funds				14,500,000	14,500,000			
Project Total				14,500,000	14,500,000			
38 McCreary Center - Somerset CC								
PRJ4702605								
Bond Funds				6,500,000	6,500,000			
Project Total				6,500,000	6,500,000			
39 Mercer County Technical Center								
PRJ4702607								
Bond Funds				4,000,000	4,000,000			
Project Total				4,000,000	4,000,000			
TOTAL CAPITAL			133,670,000	231,113,000	97,443,000			

Note: Boxed figure denotes enacted amount that was vetoed by the Governor and is not included in the totals.



## **Transportation Cabinet**

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## **Transportation Cabinet**

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# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
General Administration and Support	65,988,700	65,988,700		69,243,100	69,243,100		70,098,400	70,098,400	
Aviation	11,672,000	11,672,000		4,212,000	4,212,000		4,187,000	4,187,000	
Debt Service	166,840,900	166,840,900		150,238,600	162,710,200	12,471,600	159,362,500	181,143,200	21,780,700
Highways	2,009,599,200	2,009,599,200		1,682,511,400	2,033,399,600	350,888,200	1,428,707,200	1,417,893,700	(10,813,500)
Public Transportation	60,873,100	60,873,100		45,963,300	48,463,300	2,500,000	45,992,700	45,992,700	
Revenue Sharing	390,939,000	390,939,000		332,668,000	241,886,100	(90,781,900)	252,908,400	244,276,700	(8,631,700)
Vehicle Regulation	23,346,100	23,346,100		21,791,500	24,791,500	3,000,000	22,657,300	22,657,300	
<b>Regular Appropriation</b>	<b>2,729,259,000</b>	<b>2,729,259,000</b>		<b>2,306,627,900</b>	<b>2,584,705,800</b>	<b>278,077,900</b>	<b>1,983,913,500</b>	<b>1,986,249,000</b>	<b>2,335,500</b>

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>GENERAL FUND</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
Public Transportation	5,203,500	5,203,500		5,203,400	7,703,400	2,500,000	5,203,400	5,203,400	
<b>Regular Appropriation</b>	<b>5,203,500</b>	<b>5,203,500</b>		<b>5,203,400</b>	<b>7,703,400</b>	<b>2,500,000</b>	<b>5,203,400</b>	<b>5,203,400</b>	

### GENERAL FUND

#### CONTINUED RESERVE SPENDING SUMMARY BY APPROPRIATION UNIT

Public Transportation	1,894,300	1,894,300	
<b>Reserve Spending</b>	<b>1,894,300</b>	<b>1,894,300</b>	

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>RESTRICTED FUNDS</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
General Administration and Support	54,600	54,600		26,000	26,000		26,000	26,000	
Aviation	11,042,300	11,042,300		4,197,000	197,000	(4,000,000)	4,172,000	172,000	(4,000,000)
Highways	227,378,400	227,378,400		361,842,500	361,842,500		72,686,700	72,686,700	
Public Transportation	508,900	508,900		555,700	555,700		555,700	555,700	
Vehicle Regulation	5,886,100	5,886,100		4,109,900	4,109,900		4,101,900	4,101,900	
<b>Regular Appropriation</b>	<b>244,870,300</b>	<b>244,870,300</b>		<b>370,731,100</b>	<b>366,731,100</b>	<b>(4,000,000)</b>	<b>81,542,300</b>	<b>77,542,300</b>	<b>(4,000,000)</b>

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## TRANSPORTATION CABINET OPERATING BUDGET

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

### FEDERAL FUNDS

#### REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT

Aviation	629,700	629,700	15,000	15,000		15,000	15,000	
Highways	814,821,700	814,821,700	652,147,700	654,147,700	2,000,000	675,013,800	675,013,800	
Public Transportation	55,160,700	55,160,700	40,204,200	40,204,200		40,233,600	40,233,600	
Vehicle Regulation	1,179,700	1,179,700	285,500	3,285,500	3,000,000	285,500	285,500	
<b>Regular Appropriation</b>	<b>871,791,800</b>	<b>871,791,800</b>	<b>692,652,400</b>	<b>697,652,400</b>	<b>5,000,000</b>	<b>715,547,900</b>	<b>715,547,900</b>	



# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## TRANSPORTATION CABINET OPERATING BUDGET

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>ROAD FUND</b>									
<b>REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT</b>									
General Administration and Support	65,934,100	65,934,100		69,217,100	69,217,100		70,072,400	70,072,400	
Aviation					4,000,000	4,000,000		4,000,000	4,000,000
Debt Service	166,840,900	166,840,900		150,238,600	162,710,200	12,471,600	159,362,500	181,143,200	21,780,700
Highways	654,846,600	654,846,600		668,521,200	667,409,400	(1,111,800)	681,006,700	670,193,200	(10,813,500)
Revenue Sharing	240,939,000	240,939,000		257,668,000	241,886,100	(15,781,900)	252,908,400	244,276,700	(8,631,700)
Vehicle Regulation	16,280,300	16,280,300		17,396,100	17,396,100		18,269,900	18,269,900	
<b>Regular Appropriation</b>	<b>1,144,840,900</b>	<b>1,144,840,900</b>		<b>1,163,041,000</b>	<b>1,162,618,900</b>	<b>(422,100)</b>	<b>1,181,619,900</b>	<b>1,187,955,400</b>	<b>6,335,500</b>

# FB 2006-2008 FINAL BUDGET MEMORANDUM - 2006 REGULAR SESSION OF THE GENERAL ASSEMBLY

## TRANSPORTATION CABINET OPERATING BUDGET

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference

### HIGHWAY BOND

#### REGULAR APPROPRIATIONS SUMMARY BY APPROPRIATION UNIT

Highways	312,552,500	312,552,500		350,000,000	350,000,000			
Revenue Sharing	150,000,000	150,000,000	75,000,000		(75,000,000)			
<b>Regular Appropriation</b>	<b>462,552,500</b>	<b>462,552,500</b>	<b>75,000,000</b>	<b>350,000,000</b>	<b>275,000,000</b>			

## L - Transportation Cabinet

## Operating Budget

## Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	5,203,500	5,203,500		5,203,400	7,703,400	2,500,000	5,203,400	5,203,400	
Restricted Funds	244,870,300	244,870,300		370,731,100	366,731,100	(4,000,000)	81,542,300	77,542,300	(4,000,000)
Federal Funds	871,791,800	871,791,800		692,652,400	697,652,400	5,000,000	715,547,900	715,547,900	
Road Fund	1,144,840,900	1,144,840,900		1,163,041,000	1,162,618,900	(422,100)	1,181,619,900	1,187,955,400	6,335,500
Highway Bond	462,552,500	462,552,500		75,000,000	350,000,000	275,000,000			
<b>Regular Total Funds</b>	<b>2,729,259,000</b>	<b>2,729,259,000</b>		<b>2,306,627,900</b>	<b>2,584,705,800</b>	<b>278,077,900</b>	<b>1,983,913,500</b>	<b>1,986,249,000</b>	<b>2,335,500</b>
Use of Continuing	1,894,300	1,894,300							
<b>TOTAL FUNDS</b>	<b>2,731,153,300</b>	<b>2,731,153,300</b>		<b>2,306,627,900</b>	<b>2,584,705,800</b>	<b>278,077,900</b>	<b>1,983,913,500</b>	<b>1,986,249,000</b>	<b>2,335,500</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	377,446,500	377,446,500		395,708,900	395,708,900		405,957,000	405,957,000	
Operating Expenses	237,537,500	237,537,500		262,513,400	264,013,400	1,500,000	264,881,700	261,381,700	(3,500,000)
Grants, Loans, Benefits	203,656,700	203,656,700		189,361,800	176,079,900	(13,281,900)	183,429,600	174,797,900	(8,631,700)
Debt Service	182,533,000	182,533,000		207,662,100	220,133,700	12,471,600	216,744,700	238,525,400	21,780,700
Capital Outlay	1,378,500	1,378,500		5,264,200	5,264,200		5,465,600	5,465,600	
Construction	1,728,601,100	1,728,601,100		1,246,117,500	1,523,505,700	277,388,200	907,434,900	900,121,400	(7,313,500)
<b>TOTAL EXPENDITURES</b>	<b>2,731,153,300</b>	<b>2,731,153,300</b>		<b>2,306,627,900</b>	<b>2,584,705,800</b>	<b>278,077,900</b>	<b>1,983,913,500</b>	<b>1,986,249,000</b>	<b>2,335,500</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	5,203,500	5,203,500		5,203,400	5,203,400		5,203,400	5,203,400	
Restricted Funds	244,870,300	244,870,300		74,430,400	70,430,400	(4,000,000)	74,529,700	70,529,700	(4,000,000)
Federal Funds	841,705,900	841,705,900		620,904,200	622,904,200	2,000,000	623,850,700	623,850,700	
Road Fund	1,132,035,200	1,132,035,200		1,125,174,200	1,103,896,200	(21,278,000)	1,133,692,900	1,109,102,900	(24,590,000)
Highway Bond	462,552,500	462,552,500							
<b>Regular Total Funds</b>	<b>2,686,367,400</b>	<b>2,686,367,400</b>		<b>1,825,712,200</b>	<b>1,802,434,200</b>	<b>(23,278,000)</b>	<b>1,837,276,700</b>	<b>1,808,686,700</b>	<b>(28,590,000)</b>
Use of Continuing	1,894,300	1,894,300							
<b>TOTAL BASE LEVEL</b>	<b>2,688,261,700</b>	<b>2,688,261,700</b>		<b>1,825,712,200</b>	<b>1,802,434,200</b>	<b>(23,278,000)</b>	<b>1,837,276,700</b>	<b>1,808,686,700</b>	<b>(28,590,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund					2,500,000	2,500,000			
Restricted Funds				296,300,700	296,300,700		7,012,600	7,012,600	
Federal Funds	30,085,900	30,085,900		71,748,200	74,748,200	3,000,000	91,697,200	91,697,200	
Road Fund	12,805,700	12,805,700		37,866,800	58,722,700	20,855,900	47,927,000	78,852,500	30,925,500
Highway Bond				75,000,000	350,000,000	275,000,000			
<b>TOTAL ADDITIONAL</b>	<b>42,891,600</b>	<b>42,891,600</b>		<b>480,915,700</b>	<b>782,271,600</b>	<b>301,355,900</b>	<b>146,636,800</b>	<b>177,562,300</b>	<b>30,925,500</b>

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## L - Transportation Cabinet

## Capital Budget

## Summary Totals

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Federal Funds				640,000	640,000				
Road Fund				9,035,000	9,035,000		6,795,000	6,795,000	
<b>TOTAL CAPITAL</b>				<b>9,675,000</b>	<b>9,675,000</b>		<b>6,795,000</b>	<b>6,795,000</b>	

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**GENERAL ASSEMBLY  
2006 GENERAL ASSEMBLY - OPERATING BUDGET SUMMARY  
ROAD FUND SUMMARY**

**Governmental Branch: Executive  
Cabinet/Function: Transportation**

**Agency: Cabinet Summary  
Unit:**

	FY 2005-2006			FY 2006-2007			FY 2007-2008		
	General			General			General		
	Branch	Assembly	Difference	Branch	Assembly	Difference	Branch	Assembly	Difference
<b>RESOURCES</b>									
Beginning Undesignated Balance	28,578,100	28,578,100	0	1,493,500	1,493,500	0	0	0	0
Revenue Receipts/Estimates*	1,169,703,400	1,169,703,400	0	1,223,125,400	1,223,125,400	0	1,239,614,400	1,239,614,400	0
Road Fund Revenue Initiative				0	15,559,900	15,559,900	0	22,317,500	22,317,500
Spenddown of Continuing Appropriation	(28,578,100)	(28,578,100)	0						
<b>TOTAL RESOURCES</b>	<b>1,169,703,400</b>	<b>1,169,703,400</b>	<b>0</b>	<b>1,224,618,900</b>	<b>1,240,178,800</b>	<b>15,559,900</b>	<b>1,239,614,400</b>	<b>1,261,931,900</b>	<b>22,317,500</b>
<b>APPROPRIATIONS/EXPENDITURES</b>									
<b>TRANSPORTATION CABINET</b>									
General Administration & Support	66,530,000	66,530,000	0	69,217,100	69,217,100	0	70,072,400	70,072,400	0
Aviation	0	0	0	0	4,000,000	4,000,000	0	4,000,000	4,000,000
Revenue Sharing	240,939,000	240,939,000	0	257,668,000	241,886,100	(15,781,900)	252,908,400	244,276,700	(8,631,700)
Highways	625,672,600	625,672,600	0	668,521,200	667,409,400	(1,111,800)	681,006,700	670,193,200	(10,813,500)
Vehicle Regulation	16,280,300	16,280,300	0	17,396,100	17,396,100	0	18,269,900	18,269,900	0
Debt Service	166,840,900	166,840,900	0	150,238,600	162,710,200	12,471,600	159,362,500	181,143,200	21,780,700
Capital Budget	4,248,000	4,248,000	0	9,035,000	9,035,000	0	6,795,000	6,795,000	0
<b>TOTAL-TRANSPORTATION</b>	<b>1,120,510,800</b>	<b>1,120,510,800</b>	<b>0</b>	<b>1,172,076,000</b>	<b>1,171,653,900</b>	<b>(422,100)</b>	<b>1,188,414,900</b>	<b>1,194,750,400</b>	<b>6,335,500</b>
<b>DEPT. OF TREASURY</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>	<b>250,000</b>	<b>250,000</b>	<b>0</b>
<b>JUSTICE CABINET</b>									
Kentucky State Police	29,769,100	29,769,100	0	35,000,000	50,000,000	15,000,000	35,000,000	50,000,000	15,000,000
Motor Vehicle Enforcement	12,999,000	12,999,000	0	13,974,900	13,974,900	0	13,881,500	13,881,500	0
<b>FINANCE &amp; ADMINISTRATION CABINET</b>									
Debt Service	2,505,000	2,505,000	0	0	0	0	0	0	0
Department of Administration	283,000	283,000	0	300,000	400,000	100,000	300,000	400,000	100,000
Department of Revenue	1,418,000	1,418,000	0	1,418,000	2,000,000	582,000	1,418,000	2,000,000	582,000
Department of Revenue - Capital				1,250,000	1,250,000				
Comm. Office of Technology	125,000	125,000	0	0	0	0	0	0	0
GOV.'S OFF. OF HOMELAND SECURITY	350,000	350,000	0	350,000	350,000	0	350,000	350,000	0
ENVIRONMENTAL & PUB. PROT. CAB.					300,000			300,000	
<b>TOTAL APPROP/EXPENDITURES</b>	<b>1,168,209,900</b>	<b>1,168,209,900</b>	<b>0</b>	<b>1,224,618,900</b>	<b>1,240,178,800</b>	<b>15,259,900</b>	<b>1,239,614,400</b>	<b>1,261,931,900</b>	<b>22,017,500</b>
<b>UNDESIGNATED BALANCE</b>	<b>1,493,500</b>	<b>1,493,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* The effect of House Bill 537 is not included in the above Revenue Receipts/Estimates. House Bill 537 is anticipated to generate \$2 million in FY 2006-2007 and \$3.7 million in FY 2007-2008.

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## L - Transportation Cabinet

## Operating Budget

## General Administration and Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	54,600	54,600		26,000	26,000		26,000	26,000	
Road Fund	65,934,100	65,934,100		69,217,100	69,217,100		70,072,400	70,072,400	
<b>Regular Total Funds</b>	<b>65,988,700</b>	<b>65,988,700</b>		<b>69,243,100</b>	<b>69,243,100</b>		<b>70,098,400</b>	<b>70,098,400</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>65,988,700</b>	<b>65,988,700</b>		<b>69,243,100</b>	<b>69,243,100</b>		<b>70,098,400</b>	<b>70,098,400</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	29,473,700	29,473,700		32,304,200	32,304,200		33,164,800	33,164,800	
Operating Expenses	28,596,800	28,596,800		29,052,900	29,052,900		29,052,900	29,052,900	
Grants, Loans, Benefits	29,000	29,000		29,000	29,000		29,000	29,000	
Debt Service	7,328,100	7,328,100		7,297,800	7,297,800		7,292,500	7,292,500	
Capital Outlay	388,100	388,100		386,600	386,600		386,600	386,600	
Construction	173,000	173,000		172,600	172,600		172,600	172,600	
<b>TOTAL EXPENDITURES</b>	<b>65,988,700</b>	<b>65,988,700</b>		<b>69,243,100</b>	<b>69,243,100</b>		<b>70,098,400</b>	<b>70,098,400</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	54,600	54,600		26,000	26,000		26,000	26,000	
Road Fund	65,934,100	65,934,100		66,502,800	66,502,800		67,219,100	67,219,100	
<b>Regular Total Funds</b>	<b>65,988,700</b>	<b>65,988,700</b>		<b>66,528,800</b>	<b>66,528,800</b>		<b>67,245,100</b>	<b>67,245,100</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>65,988,700</b>	<b>65,988,700</b>		<b>66,528,800</b>	<b>66,528,800</b>		<b>67,245,100</b>	<b>67,245,100</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Road Fund				2,714,300	2,714,300		2,853,300	2,853,300	
<b>TOTAL ADDITIONAL</b>				<b>2,714,300</b>	<b>2,714,300</b>		<b>2,853,300</b>	<b>2,853,300</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW</b>	<b>General Administration and Support - Secretary</b>								
ABRC35K0007	Provide funds to support personnel expenditures related to 20 interim scholarship positions (20 vacant) for minority college students.								
Road Fund				218,800	218,800		218,800	218,800	
<b>Project Total</b>				<b>218,800</b>	<b>218,800</b>		<b>218,800</b>	<b>218,800</b>	

## L - Transportation Cabinet

## Operating Budget

## General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	NEW	General Administration and Support - Property and Supply								
ABRC35K0017		Provide funds to support operating expenditures related to the purchase and operation of the new ARCHIBUS property inventory system.								
Road Fund					350,000	350,000		350,000	350,000	
Project Total					350,000	350,000		350,000	350,000	
3	GB	General Administration and Support - Secretary								
ABRC35K0006		Provide funds to support personnel expenditures related to the Secretary program, including five (5) personnel positions (5 vacant).								
Road Fund					275,000	275,000		300,000	300,000	
Project Total					275,000	275,000		300,000	300,000	
4	GB	General Administration and Support - Budget and Fiscal Management								
ABRC35K0010		Provide funds to support personnel expenditures related to the Budget and Fiscal Management program, including eight (8) personnel positions (8 vacant).								
Road Fund					310,000	310,000		340,000	340,000	
Project Total					310,000	310,000		340,000	340,000	
5	GB	General Administration and Support - Legal Services								
ABRC35K0004		Provide funds to support personnel expenditures related to the Legal Services program, including eight (8) personnel positions (8 vacant).								
Road Fund					360,000	360,000		400,000	400,000	
Project Total					360,000	360,000		400,000	400,000	
6	GB	General Administration and Support - Transportation Operations Center								
ABRC35K0011		Provide funds to support personnel expenditures related to the Transportation Operations Center program, including two (2) personnel positions (2 vacant).								
Road Fund					140,000	140,000		150,000	150,000	
Project Total					140,000	140,000		150,000	150,000	
7	GB	General Administration and Support - Public Relations								
ABRC35K0009		Provide funds to support personnel expenditures related to the Public Relations program, including one (1) personnel position (1 vacant).								
Road Fund					35,000	35,000		35,000	35,000	
Project Total					35,000	35,000		35,000	35,000	

## L - Transportation Cabinet

## Operating Budget

## General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
8	GB	General Administration and Support - Legislative and Intergovernmental Affairs								
ABRC35K0013		Provide funds to support personnel expenditures related to the Legislative and Intergovernmental Affairs program, including one (1) personnel position (1 vacant).								
Road Fund					100,000	100,000		105,000	105,000	
Project Total					100,000	100,000		105,000	105,000	
9	GB	General Administration and Support - Personnel Management								
ABRC35K0014		Provide funds to support personnel expenditures related to the Personnel Management program, including three (3) personnel positions (3 vacant).								
Road Fund					119,000	119,000		127,000	127,000	
Project Total					119,000	119,000		127,000	127,000	
10	GB	General Administration and Support - Property and Supply Services								
ABRC35K0015		Provide funds to support personnel expenditures related to Property and Supply Services program, including two personnel positions (2 filled).								
Road Fund					100,000	100,000		105,000	105,000	
Project Total					100,000	100,000		105,000	105,000	
11	GB	General Administration and Support - Toll Facilities								
ABRC35K0019		Provide funds to support personnel expenditures related to the Toll Facilities program, including 20 interim personnel positions (20 vacant).								
Road Fund					260,000	260,000		260,000	260,000	
Project Total					260,000	260,000		260,000	260,000	
12	GB	General Administration and Support - Commissioner								
ABRC35K0018		Provide funds to support personnel expenditures related to the Commissioner of Administrative Services, including two (2) personnel positions (2 filled).								
Road Fund					175,000	175,000		182,000	182,000	
Project Total					175,000	175,000		182,000	182,000	
13	GB	General Administration and Support - Purchases								
ABRC35K0021		Provide funds to support personnel expenditures related to the Purchases program, including one (1) personnel position (1 filled).								
Road Fund					64,000	64,000		69,000	69,000	
Project Total					64,000	64,000		69,000	69,000	

## L - Transportation Cabinet

## Operating Budget

## General Administration and Support

Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>14 GB</b>	<b>General Administration and Support - Inspector General</b>							
ABRC35K0012	Provide funds to support personnel expenditures related to the Inspector General program, including one (1) personnel position (1 vacant).							
Road Fund			70,000	70,000		72,000	72,000	
<b>Project Total</b>			<b>70,000</b>	<b>70,000</b>		<b>72,000</b>	<b>72,000</b>	
<b>15 GB</b>	<b>General Administration and Support - Toll Facilities</b>							
ABRC35K0020	Provide funds to support personnel expenditures related to the Toll Facilities program, including one (1) personnel position (1 vacant).							
Road Fund			25,000	25,000		27,000	27,000	
<b>Project Total</b>			<b>25,000</b>	<b>25,000</b>		<b>27,000</b>	<b>27,000</b>	
<b>16 GB</b>	<b>General Administration and Support - Property and Supply Services</b>							
ABRC35K0016	Provide funds to support operating expenditures related to rental copier upgrades.							
Road Fund			112,500	112,500		112,500	112,500	
<b>Project Total</b>			<b>112,500</b>	<b>112,500</b>		<b>112,500</b>	<b>112,500</b>	
<b>TOTAL ADDITIONAL</b>			<b>2,714,300</b>	<b>2,714,300</b>		<b>2,853,300</b>	<b>2,853,300</b>	

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**General Administration and Support**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Biennial Highway Construction Programs:** The Secretary of the Transportation Cabinet is directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission."

**"Debt Service:** Included in the above Road Fund appropriation is \$7,297,800 in fiscal year 2006-2007 and \$7,292,500 in fiscal year 2007-2008 for debt service on previously authorized bonds for the new Transportation Cabinet office building and parking structure."

**"Adopt-A-Highway Litter Program:** The Transportation Cabinet and Environmental and Public Protection Cabinet may receive, accept, and solicit grants, contributions of money, property, labor, or other things of value from any governmental agency, individual, nonprofit organization, or private business to be used for the Adopt-a-Highway Litter Program or other statewide litter programs. Any contribution of this nature shall be deemed to be a contribution to a state agency for a public purpose and shall be treated as Restricted Funds under KRS Chapter 45 and reported according to KRS Chapter 48, and shall not be subject to restrictions set forth under KRS Chapter 11A."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, Transportation Cabinet, provides Road Fund resources of \$9,035,000 in fiscal year 2006-2007 and \$6,795,000 in fiscal year 2007-2008 and Federal Funds of \$640,000 in fiscal year 2006-2007 for capital projects.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, Revenue, provides Road Fund resources of \$1,250,000 and

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**General Administration and Support**

Federal Funds of \$1,250,000 in fiscal year 2006-2007 for the Motor Fuels Tax Automation capital project.

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Biennial Highway Construction Programs:** The Secretary of the Transportation Cabinet is directed to report monthly to the Legislative Research Commission all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic monthly report in a format prescribed by the Legislative Research Commission."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"Biennial Highway Construction Programs:** The Secretary of Transportation is directed to produce a single document that contains two separately identified sections, as follows:

Section 1 shall detail the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program and Section 2 shall detail the Highway Preconstruction Program Plan for fiscal year 2006-2007 through fiscal year 2011-2012 as identified by the 2006 General Assembly. This document shall mirror in data type and format the fiscal year 2004-2010 Recommended Six-Year Highway Plan as submitted to the 2004 General Assembly. The document shall be published and distributed to members of the General Assembly and the public within 60 days of adjournment of the 2006 Regular Session of the General Assembly.

No executive authority shall expend, or otherwise commit in any manner, available fiscal biennium 2006-2008 Road Fund resources for a project designated as a State Project in the fiscal year 2006-2007 through fiscal year 2011-2012 Highway Preconstruction Program Plan. In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional federal funds are received in excess of the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to assure that the Commonwealth makes full use of all available federal funds.

The Secretary of the Transportation Cabinet is further directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity, as prescribed by KRS 176.430, relating to all projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was

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enacted in a Six-Year Highway Plan. Pursuant to KRS 48.800(5), the Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission.

Notwithstanding KRS 176.440(2), any project additions or modifications that the 2006 General Assembly may make to the fiscal year 2006-2012 Recommended Six-Year Road Plan shall carry the same force of law as projects that were included in the fiscal year 2006-2012 Recommended Six-Year Road Plan as submitted by the Executive Branch."

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## L - Transportation Cabinet

## Capital Budget

## General Administration and Support

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Federal Funds				640,000	640,000				
Road Fund				9,035,000	9,035,000		6,795,000	6,795,000	
<b>TOTAL CAPITAL</b>				<b>9,675,000</b>	<b>9,675,000</b>		<b>6,795,000</b>	<b>6,795,000</b>	
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Building Renovations &amp; Emergency Repairs</b>								
PRJC35K1474									
Road Fund				500,000	500,000		500,000	500,000	
<b>Project Total</b>				<b>500,000</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>	
<b>2</b>	<b>Painting &amp; Roof Repair or Replacement</b>								
PRJC35K1477									
Road Fund				150,000	150,000		150,000	150,000	
<b>Project Total</b>				<b>150,000</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>	
<b>3</b>	<b>Construct or Repair Salt Storage Structures</b>								
PRJC35K1472									
Road Fund				225,000	225,000		225,000	225,000	
<b>Project Total</b>				<b>225,000</b>	<b>225,000</b>		<b>225,000</b>	<b>225,000</b>	
<b>4</b>	<b>Water and Wastewater Projects</b>								
PRJC35K1476									
Road Fund				100,000	100,000		100,000	100,000	
<b>Project Total</b>				<b>100,000</b>	<b>100,000</b>		<b>100,000</b>	<b>100,000</b>	
<b>5</b>	<b>Replace Overhead Doors and Emergency Repairs</b>								
PRJC35K1475									
Road Fund				200,000	200,000		200,000	200,000	
<b>Project Total</b>				<b>200,000</b>	<b>200,000</b>		<b>200,000</b>	<b>200,000</b>	
<b>6</b>	<b>Repair Loadometer &amp; Rest Areas</b>								
PRJC35K1479									
Road Fund				900,000	900,000		600,000	600,000	
<b>Project Total</b>				<b>900,000</b>	<b>900,000</b>		<b>600,000</b>	<b>600,000</b>	

## L - Transportation Cabinet

## Capital Budget

## General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>7</b>	<b>Replace HVAC Flemingsburg District Office</b>									
	PRJC35K1487									
	Road Fund				800,000	800,000				
	<b>Project Total</b>				<b>800,000</b>	<b>800,000</b>				
<b>8</b>	<b>HVAC Maintenance &amp; Repair</b>									
	PRJC35K1485									
	Road Fund				400,000	400,000		400,000	400,000	
	<b>Project Total</b>				<b>400,000</b>	<b>400,000</b>		<b>400,000</b>	<b>400,000</b>	
<b>9</b>	<b>Conduct Paving and Landscaping</b>									
	PRJC35K1478									
	Road Fund				100,000	100,000		100,000	100,000	
	<b>Project Total</b>				<b>100,000</b>	<b>100,000</b>		<b>100,000</b>	<b>100,000</b>	
<b>10</b>	<b>Remove Hazardous Materials</b>									
	PRJC35K1473									
	Road Fund				50,000	50,000		50,000	50,000	
	<b>Project Total</b>				<b>50,000</b>	<b>50,000</b>		<b>50,000</b>	<b>50,000</b>	
<b>11</b>	<b>Various Environmental Compliance</b>									
	PRJC35K1482									
	Road Fund				1,000,000	1,000,000		1,000,000	1,000,000	
	<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>	
<b>12</b>	<b>Kentucky State Parks Road Maintenance</b>									
	PRJC35K1480									
	Road Fund				1,500,000	1,500,000		1,500,000	1,500,000	
	<b>Project Total</b>				<b>1,500,000</b>	<b>1,500,000</b>		<b>1,500,000</b>	<b>1,500,000</b>	
<b>13</b>	<b>Videologging Roadway Features System</b>									
	PRJC35K1481									
	Federal Funds				640,000	640,000				
	Road Fund				160,000	160,000				
	<b>Project Total</b>				<b>800,000</b>	<b>800,000</b>				

## L - Transportation Cabinet

## Capital Budget

## General Administration and Support

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>14</b>	<b>Purchase Lab Equipment</b>									
PRJC35K1486										
Road Fund					400,000	400,000				
<b>Project Total</b>					<b>400,000</b>	<b>400,000</b>				
<b>15</b>	<b>Building Demolition &amp; Disposal</b>									
PRJC35K1483										
Road Fund					100,000	100,000				
<b>Project Total</b>					<b>100,000</b>	<b>100,000</b>				
<b>16</b>	<b>Construct Various Maintenance Facilities - Secondary Structures</b>									
PRJC35K1484										
Road Fund					150,000	150,000		150,000	150,000	
<b>Project Total</b>					<b>150,000</b>	<b>150,000</b>		<b>150,000</b>	<b>150,000</b>	
<b>17</b>	<b>Construct Larue County Maintenance Facility &amp; Salt Storage Structure</b>									
PRJC35K1470										
Road Fund								910,000	910,000	
<b>Project Total</b>								<b>910,000</b>	<b>910,000</b>	
<b>18</b>	<b>Construct Spencer County Maintenance Facility &amp; Salt Storage Structure</b>									
PRJC35K1471										
Road Fund								910,000	910,000	
<b>Project Total</b>								<b>910,000</b>	<b>910,000</b>	
<b>19</b>	<b>Horse Park Roads</b>									
PRJC35K1491										
Road Fund					2,300,000	2,300,000				
<b>Project Total</b>					<b>2,300,000</b>	<b>2,300,000</b>				
<b>TOTAL CAPITAL</b>					<b>9,675,000</b>	<b>9,675,000</b>		<b>6,795,000</b>	<b>6,795,000</b>	

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## L - Transportation Cabinet

## Operating Budget

## Aviation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	11,042,300	11,042,300		4,197,000	197,000	(4,000,000)	4,172,000	172,000	(4,000,000)
Federal Funds	629,700	629,700		15,000	15,000		15,000	15,000	
Road Fund					4,000,000	4,000,000		4,000,000	4,000,000
<b>Regular Total Funds</b>	<b>11,672,000</b>	<b>11,672,000</b>		<b>4,212,000</b>	<b>4,212,000</b>		<b>4,187,000</b>	<b>4,187,000</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>11,672,000</b>	<b>11,672,000</b>		<b>4,212,000</b>	<b>4,212,000</b>		<b>4,187,000</b>	<b>4,187,000</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	1,813,500	1,813,500		1,207,600	1,207,600		1,232,500	1,232,500	
Operating Expenses	264,400	264,400		264,400	264,400		264,400	264,400	
Grants, Loans, Benefits	9,360,100	9,360,100		2,740,000	2,740,000		2,690,100	2,690,100	
Debt Service	234,000	234,000							
<b>TOTAL EXPENDITURES</b>	<b>11,672,000</b>	<b>11,672,000</b>		<b>4,212,000</b>	<b>4,212,000</b>		<b>4,187,000</b>	<b>4,187,000</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	11,042,300	11,042,300		4,197,000	197,000	(4,000,000)	4,172,000	172,000	(4,000,000)
Federal Funds	629,700	629,700		15,000	15,000		15,000	15,000	
<b>Regular Total Funds</b>	<b>11,672,000</b>	<b>11,672,000</b>		<b>4,212,000</b>	<b>212,000</b>	<b>(4,000,000)</b>	<b>4,187,000</b>	<b>187,000</b>	<b>(4,000,000)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>11,672,000</b>	<b>11,672,000</b>		<b>4,212,000</b>	<b>212,000</b>	<b>(4,000,000)</b>	<b>4,187,000</b>	<b>187,000</b>	<b>(4,000,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Road Fund					4,000,000	4,000,000		4,000,000	4,000,000
<b>TOTAL ADDITIONAL</b>					<b>4,000,000</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 RRF Aviation - Air Development</b>									
ABRC35B0005 Provides Road Fund resources for administrative and grant expenditures.									
Road Fund					4,000,000	4,000,000		4,000,000	4,000,000
<b>Project Total</b>					<b>4,000,000</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>
<b>TOTAL ADDITIONAL</b>					<b>4,000,000</b>	<b>4,000,000</b>		<b>4,000,000</b>	<b>4,000,000</b>

## TRANSFERS TO THE GENERAL FUND

## Aviation

**L - Transportation Cabinet****Operating Budget****Aviation**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TRANSFERS TO THE GENERAL FUND</b>									
Kentucky Aviation				468,000	468,000		468,000	468,000	
Economic Development									
Fund									
Notwithstanding KRS 183.525(5), these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2005 Ky. Acts ch. 173, Part II, Capital Projects Budget, C., 1., 002.									
Kentucky Aviation					4,000,000	4,000,000		4,000,000	4,000,000
Economic Development									
Fund									
<b>TOTAL</b>				<b>468,000</b>	<b>4,468,000</b>	<b>4,000,000</b>	<b>468,000</b>	<b>4,468,000</b>	<b>4,000,000</b>

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**Aviation**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Operational Costs:** Notwithstanding KRS 183.525(5), the above Restricted Funds appropriation includes operational costs of the program in each fiscal year."

**"Certified Air Carriers and Cap on Sales and Use Tax:** The sales and use tax credit shall be an amount equal to the Kentucky sales and use tax otherwise applicable to aircraft fuel, including jet fuel, purchased by the certified air carrier for its storage, use, or other consumption during the annual period, less \$1,000,000. The \$1,000,000 amount shall be increased to reflect the Kentucky sales and use tax on aviation fuel attributable to operations of any other company purchased, merged, acquired, or otherwise combined with the certified air carrier after the base period. The amount of the increase shall be based on the Kentucky sales and use tax applicable to such aircraft fuel purchased during the 12-month period immediately preceding the purchase, merger, or other acquisition by or combination with the certified air carrier."

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Kentucky Aviation Economic Development Fund, Restricted Funds of \$468,000 in fiscal year 2006-2007 and \$468,000 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes the following language provision:

"Notwithstanding KRS 183.525(5), these funds transfers to the General Fund support the General Fund debt service on the bonds sold as appropriated by 2005 Ky. Acts ch. 173, Part II, Capital Projects Budget, C., 1., 002."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

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**Aviation**

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Certified Air Carriers and Cap on Sales and Use Tax:** The sales and use tax credit shall be an amount equal to the Kentucky sales and use tax otherwise applicable to aircraft fuel, including jet fuel, purchased by the certified air carrier for its storage, use, or other consumption during the annual period, less \$1,000,000. The \$1,000,000 amount shall be increased to reflect the Kentucky sales and use tax on aviation fuel attributable to operations of any other company purchased, merged, acquired, or otherwise combined with the certified air carrier after the base period. The amount of the increase shall be based on the Kentucky sales and use tax applicable to such aircraft fuel purchased during the 12-month period immediately preceding the purchase, merger, or other acquisition by or combination with the certified air carrier."

The General Assembly adds Part I, Operating Budget, language provisions as follows:

**"Aviation Projects:** The Transportation Cabinet, Aviation Development Program shall prioritize and fund the following airport projects from appropriated Road Fund resources in the designated fiscal year as included in the 2006-2012 Six-Year Aviation Plan:

(a)	Bardstown-Nelson County Airport	\$1,200,000
(b)	Cynthiana-Harrison County Airport	\$500,000
(c)	Fleming-Mason Airport	\$2,000,000
(d)	Muhlenberg County Airport	\$1,000,000
(e)	Ohio County Airport	\$1,000,000
(f)	Big Sandy Regional Airport	\$2,500,000
(g)	Leitchfield-Grayson County Airport	\$1,000,000
(h)	Madison Airport	\$800,000
(i)	Lebanon-Springfield Airport	\$1,000,000
(j)	Tompkinsville-Monroe County Airport	\$1,000,000
(k)	Danville-Boyle County Airport	\$2,000,000
(l)	Muhlenberg County Airport	\$2,000,000
(m)	Henderson City County Airport	\$1,000,000
(n)	Russell County Airport	\$1,500,000
(o)	Powell County Airport	\$1,000,000
(p)	Ohio County Airport	\$1,500,000



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**Aviation**

(q)	Russellville-Logan County Airport	\$2,000,000
(r)	Falmouth-Pendleton County Airport	\$1,000,000"

**"Capital City Airport:** No appropriations for the Aviation budget unit or the Military Affairs budget unit shall be utilized for the purpose of studying, planning, or construction of additional runways for, or expansion of, the Capital City Airport."

**"Use of Road Fund Resources:** The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriations for the Department of Aviation, including but not limited to providing the above authorized financial aid to governmental units and local air boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21)."

**"Aviation Plan Project Report:** The Secretary of the Transportation Cabinet is directed to report quarterly to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation all activity relating to all aviation projects with open activity conducted by the Transportation Cabinet during the biennium including the year each project phase was enacted in a Six-Year Aviation Plan. The Transportation Cabinet shall submit the electronic quarterly report in a format prescribed by the Legislative Research Commission."

The General Assembly amends Part V, Funds Transfer, to include, from the Kentucky Aviation Economic Development Fund, Restricted Funds of \$4,000,000 in fiscal year 2006-2007 and \$4,000,000 in fiscal year 2007-2008.

The Governor of the Commonwealth vetoes, in part, the following:

Partial Veto #20 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to authority granted under Section 88 of the Kentucky Constitution, do hereby Veto the following part:*

Page 138, line 1, after the word "prioritize" delete "and fund".

Page 138, line 2, after the word "resources" delete "in the designated fiscal year".

*This part requires the Transportation Cabinet to fund aviation projects in the specific fiscal year as contained in the Aviation Six Year Plan. I am vetoing this part because the appropriations enacted in House Bill 380 are less than the identified costs associated with the project list, and because mandating the fiscal year for each project eliminates the flexibility of the*

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**Aviation**

*Transportation Cabinet to adjust the timing of the projects."*

Partial Veto #21 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:*

Page 138, lines 22 through line 24, in their entirety.

*This part prohibits the use of appropriated funds for the studying, planning, or construction of additional runways for, or the expansion of the Capital City Airport. I am vetoing this part because the language eliminates a potential investment by the Commonwealth or from an award of Federal Aviation Administration funds to the Commonwealth for the next two fiscal years. While there are no future plans to construct an additional runway, a blanket prohibition is unnecessary."*

## L - Transportation Cabinet

## Operating Budget

## Debt Service

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Road Fund	166,840,900	166,840,900		150,238,600	162,710,200	12,471,600	159,362,500	181,143,200	21,780,700
<b>Regular Total Funds</b>	<b>166,840,900</b>	<b>166,840,900</b>		<b>150,238,600</b>	<b>162,710,200</b>	<b>12,471,600</b>	<b>159,362,500</b>	<b>181,143,200</b>	<b>21,780,700</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>166,840,900</b>	<b>166,840,900</b>		<b>150,238,600</b>	<b>162,710,200</b>	<b>12,471,600</b>	<b>159,362,500</b>	<b>181,143,200</b>	<b>21,780,700</b>
<b>II. EXPENDITURE CATEGORY</b>									
Debt Service	166,840,900	166,840,900		150,238,600	162,710,200	12,471,600	159,362,500	181,143,200	21,780,700
<b>TOTAL EXPENDITURES</b>	<b>166,840,900</b>	<b>166,840,900</b>		<b>150,238,600</b>	<b>162,710,200</b>	<b>12,471,600</b>	<b>159,362,500</b>	<b>181,143,200</b>	<b>21,780,700</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Road Fund	166,840,900	166,840,900		150,238,600	146,414,200	(3,824,400)	152,378,500	148,551,200	(3,827,300)
<b>Regular Total Funds</b>	<b>166,840,900</b>	<b>166,840,900</b>		<b>150,238,600</b>	<b>146,414,200</b>	<b>(3,824,400)</b>	<b>152,378,500</b>	<b>148,551,200</b>	<b>(3,827,300)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>166,840,900</b>	<b>166,840,900</b>		<b>150,238,600</b>	<b>146,414,200</b>	<b>(3,824,400)</b>	<b>152,378,500</b>	<b>148,551,200</b>	<b>(3,827,300)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Road Fund					16,296,000	16,296,000	6,984,000	32,592,000	25,608,000
<b>TOTAL ADDITIONAL</b>					<b>16,296,000</b>	<b>16,296,000</b>	<b>6,984,000</b>	<b>32,592,000</b>	<b>25,608,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW Debt Service</b>									
ABRC35H0001	Provide Road Fund resources for the combined lease rental payments for the issuance of \$75 million in Economic Development Highway Bonds associated with the County Road Aid (\$50 million) and the Municipal Road Aid (\$25 million) programs.								
Road Fund							6,984,000		(6,984,000)
<b>Project Total</b>							<b>6,984,000</b>		<b>(6,984,000)</b>
<b>2 NEW Debt Service</b>									
ABRC35H0003	Provide for lease rental payments for issuance of \$350 million in Economic Development Highway Bonds associated with Economic Development Road Projects.								
Road Fund					16,296,000	16,296,000		32,592,000	32,592,000
<b>Project Total</b>					<b>16,296,000</b>	<b>16,296,000</b>		<b>32,592,000</b>	<b>32,592,000</b>
<b>TOTAL ADDITIONAL</b>					<b>16,296,000</b>	<b>16,296,000</b>	<b>6,984,000</b>	<b>32,592,000</b>	<b>25,608,000</b>

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**Debt Service**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Toll Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$205,100 in fiscal year 2006-2007 and \$80,000 in fiscal year 2007-2008 for toll road lease-rental payments."

**"Resource Recovery Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$90,000 in fiscal year 2006-2007 and \$90,000 in fiscal year 2007-2008 for Resource Recovery Road lease-rental payments. The Secretary of the Transportation Cabinet shall use Road Fund resources to meet the lease-rental payments to the Kentucky Turnpike Authority for Resource Recovery Road projects in the amount certified by the Transportation Cabinet, pursuant to KRS 143.090. However, if Road Fund resources are not sufficient to meet lease-rental payments, the additional amount required to meet the obligation shall be transferred from the proceeds of the tax levied on the severance or processing of coal by KRS 143.020."

**"Economic Development Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$149,943,500 in fiscal year 2006-2007 and \$152,208,500 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

**"Economic Development Road Bond Debt Service:** Included in the above Road Fund appropriation is \$6,984,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$75,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

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**Debt Service**

**"Excess Lease-Rental Payments:** Any moneys not required to meet lease-rental payments or to meet the administrative costs of the Kentucky Turnpike Authority shall be transferred to the State Construction account."

**"Debt Payment Acceleration Fund Account:** Notwithstanding KRS 175.505, no portion of the revenues to the state Road Fund provided by the adjustments in KRS 138.220(2), excluding KRS 177.320 and 177.365, shall accrue to the Debt Payment Acceleration Fund account during the 2006-2008 fiscal biennium."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Economic Development Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$149,943,500 in fiscal year 2006-2007 and \$152,208,500 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"Economic Development Road Lease-Rental Payments:** Included in the above Road Fund appropriation is \$146,119,100 in fiscal year 2006-2007 and \$148,381,200 in fiscal year 2007-2008 for Economic Development Road lease-rental payments relating to projects financed by Economic Development Road Revenue Bonds previously authorized by the General Assembly and issued by the Kentucky Turnpike Authority."

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Economic Development Road Bond Debt Service:** Included in the above Road Fund appropriation is \$6,984,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$75,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

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**Debt Service**

The General Assembly adds Part I, Operating Budget, language provisions as follows:

**"Economic Development Road Bond Debt Service:** Included in the above Road Fund appropriation is \$16,296,000 in fiscal year 2006-2007 and \$32,592,000 in fiscal year 2007-2008 for Economic Development Road lease-rental payments to the Turnpike Authority of Kentucky relating to projects financed by \$350,000,000 in Economic Development Road Revenue Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the cost of the Economic Development Road Projects."

**"Toll Road Termination:** The tolls on the Audubon Parkway and the Natcher Parkway shall be terminated during the first year of the biennium when the lease-rental payments on the toll roads are fully paid."

## L - Transportation Cabinet

## Operating Budget

## Highways

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	227,378,400	227,378,400		361,842,500	361,842,500		72,686,700	72,686,700	
Federal Funds	814,821,700	814,821,700		652,147,700	654,147,700	2,000,000	675,013,800	675,013,800	
Road Fund	654,846,600	654,846,600		668,521,200	667,409,400	(1,111,800)	681,006,700	670,193,200	(10,813,500)
Highway Bond	312,552,500	312,552,500			350,000,000	350,000,000			
<b>Regular Total Funds</b>	<b>2,009,599,200</b>	<b>2,009,599,200</b>		<b>1,682,511,400</b>	<b>2,033,399,600</b>	<b>350,888,200</b>	<b>1,428,707,200</b>	<b>1,417,893,700</b>	<b>(10,813,500)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>2,009,599,200</b>	<b>2,009,599,200</b>		<b>1,682,511,400</b>	<b>2,033,399,600</b>	<b>350,888,200</b>	<b>1,428,707,200</b>	<b>1,417,893,700</b>	<b>(10,813,500)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	328,173,800	328,173,800		344,124,200	344,124,200		352,961,500	352,961,500	
Operating Expenses	152,135,200	152,135,200		177,656,500	176,156,500	(1,500,000)	179,113,100	175,613,100	(3,500,000)
Grants, Loans, Benefits	3,539,100	3,539,100		3,539,100	3,539,100		3,539,100	3,539,100	
Debt Service	8,130,000	8,130,000		50,125,700	50,125,700		50,089,700	50,089,700	
Capital Outlay	990,400	990,400		4,877,600	4,877,600		5,079,000	5,079,000	
Construction	1,516,630,700	1,516,630,700		1,102,188,300	1,454,576,500	352,388,200	837,924,800	830,611,300	(7,313,500)
<b>TOTAL EXPENDITURES</b>	<b>2,009,599,200</b>	<b>2,009,599,200</b>		<b>1,682,511,400</b>	<b>2,033,399,600</b>	<b>350,888,200</b>	<b>1,428,707,200</b>	<b>1,417,893,700</b>	<b>(10,813,500)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	227,378,400	227,378,400		65,585,900	65,585,900		65,713,700	65,713,700	
Federal Funds	784,735,800	784,735,800		593,227,000	595,227,000	2,000,000	596,145,300	596,145,300	
Road Fund	654,846,600	654,846,600		634,907,900	633,360,300	(1,547,600)	644,927,700	633,087,000	(11,840,700)
Highway Bond	312,552,500	312,552,500							
<b>Regular Total Funds</b>	<b>1,979,513,300</b>	<b>1,979,513,300</b>		<b>1,293,720,800</b>	<b>1,294,173,200</b>	<b>452,400</b>	<b>1,306,786,700</b>	<b>1,294,946,000</b>	<b>(11,840,700)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>1,979,513,300</b>	<b>1,979,513,300</b>		<b>1,293,720,800</b>	<b>1,294,173,200</b>	<b>452,400</b>	<b>1,306,786,700</b>	<b>1,294,946,000</b>	<b>(11,840,700)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				296,256,600	296,256,600		6,973,000	6,973,000	
Federal Funds	30,085,900	30,085,900		58,920,700	58,920,700		78,868,500	78,868,500	
Road Fund				33,613,300	34,049,100	435,800	36,079,000	37,106,200	1,027,200
Highway Bond					350,000,000	350,000,000			
<b>TOTAL ADDITIONAL</b>	<b>30,085,900</b>	<b>30,085,900</b>		<b>388,790,600</b>	<b>739,226,400</b>	<b>350,435,800</b>	<b>121,920,500</b>	<b>122,947,700</b>	<b>1,027,200</b>

## V. ADDITIONAL BUDGET ITEMS

## 1 GB Highways - Construction

ABRC35F0002 Provide funds to support construction expenditures related to SAFETEA-LU federal funds for the major construction, reconstruction, and rehabilitation of approximately 12,000 miles of interstate, primary, secondary, urban, and Appalachian routes statewide.

Federal Funds	30,085,900	30,085,900	57,331,400	57,331,400		77,242,800	77,242,800
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**L - Transportation Cabinet****Operating Budget****Highways**

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
Project Total			30,085,900	30,085,900		57,331,400	57,331,400		77,242,800	77,242,800	
2	GB	Highways - Research									
ABRC35F0001		Provide funds to support increased personnel expenditures related to SAFETEA-LU federal funds for highway research and development studies.									
Federal Funds						858,000	858,000		858,000	858,000	
Project Total						858,000	858,000		858,000	858,000	
3	GB	Highways - Planning									
ABRC35F0003		Provide funds to support increased personnel expenditures related to SAFETEA-LU federal funds for the metropolitan planning process.									
Federal Funds						731,300	731,300		767,700	767,700	
Project Total						731,300	731,300		767,700	767,700	
4	NEW	Highways - Construction									
ABRC35F0004		Provide for Grant Anticipation Revenue Vehicle (GARVEE) bond resources of \$290 million to support increased highway construction expenditures for federal interstate highway projects.									
Restricted Funds						290,000,000	290,000,000				
Project Total						290,000,000	290,000,000				
5	GB	Highways - Maintenance									
ABRC35F0015		Provide funds to support increased operating expenditures related to the Maintenance - Roadside Safety program.									
Road Fund						10,000,000	10,000,000		10,000,000	10,000,000	
Project Total						10,000,000	10,000,000		10,000,000	10,000,000	
6	GB	Highways - Construction									
ABRC35F0010		Provide funds to support increased operating expenditures related to the Construction - Resurfacing program to resurface and rehabilitate poor pavements statewide.									
Road Fund						3,680,000	3,680,000		3,680,000	3,680,000	
Project Total						3,680,000	3,680,000		3,680,000	3,680,000	
7	GB	Highways - Maintenance									
ABRC35F0016		Provide funds to support operating expenditures related to the Maintenance - Pavement Management program.									
Road Fund						4,000,000	4,000,000		4,000,000	4,000,000	
Project Total						4,000,000	4,000,000		4,000,000	4,000,000	



## L - Transportation Cabinet

## Operating Budget

## Highways

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference		
8	GB	Highways - Maintenance									
ABRC35F0013	Provide funds to support increased operating expenditures related to the Maintenance - Medium/Heavy Duty Equipment Operations program for increased inflationary equipment costs of equipment usage to maintain the highway system.										
Road Fund				4,000,000	4,000,000		4,000,000	4,000,000			
Project Total				4,000,000	4,000,000		4,000,000	4,000,000			
9	GB	Highways - Equipment Services									
ABRC35F0008	Provide funds to support increased operating expenditures related to the Equipment Services program for maintaining the current equipment replacement schedule for the medium/heavy duty equipment fleet.										
Restricted Funds				4,051,000	4,051,000		4,379,000	4,379,000			
Project Total				4,051,000	4,051,000		4,379,000	4,379,000			
10	GB	Highways - Equipment Services									
ABRC35F0007	Provide funds to support increased operating expenditures related to the Equipment Services program for maintaining the current operating level of medium/heavy duty equipment services.										
Restricted Funds				1,500,000	1,500,000		1,700,000	1,700,000			
Project Total				1,500,000	1,500,000		1,700,000	1,700,000			
11	GB	Highways - Maintenance									
ABRC35F0021	Provide funds to support increased operating expenditures related to the Maintenance - Bridge Contract Repairs program.										
Road Fund				2,000,000	2,000,000		2,000,000	2,000,000			
Project Total				2,000,000	2,000,000		2,000,000	2,000,000			
12	GB	Highways - Maintenance									
ABRC35F0025	Provide funds to support increased operating expenditures related to the Maintenance - Traffic Signals program.										
Road Fund				1,500,000	1,500,000		1,500,000	1,500,000			
Project Total				1,500,000	1,500,000		1,500,000	1,500,000			
13	GB	Highways - Maintenance									
ABRC35F0011	Provide funds to support personnel expenditures related to the Maintenance - Roadway Maintenance program, including 50 personnel positions (50 vacant).										
Road Fund							738,300	738,300			
Project Total							738,300	738,300			

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## Operating Budget

## Highways

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
14	EXPAN	Highways - Maintenance									
ABRC35F0024			Provide funds to support increased operating expenditures related to the Maintenance - Safety Assistance for Freeway Emergencies (SAFE) Patrol incident management initiative.								
Road Fund						1,200,000	1,200,000		2,400,000	2,400,000	
Project Total						1,200,000	1,200,000		2,400,000	2,400,000	
15	GB	Highways - Maintenance									
ABRC35F0026			Provide funds to support increased operating expenditures related to the Maintenance - Signal System Operations program.								
Road Fund						1,000,000	1,000,000		1,000,000	1,000,000	
Project Total						1,000,000	1,000,000		1,000,000	1,000,000	
16	GB	Highways - Maintenance									
ABRC35F0018			Provide funds to support increased operating expenditures related to the Maintenance - Striping program.								
Road Fund						1,000,000	1,000,000		1,000,000	1,000,000	
Project Total						1,000,000	1,000,000		1,000,000	1,000,000	
17	GB	Highways - Maintenance									
ABRC35F0012			Provide funds to support increased personnel expenditures related to the Maintenance - Snow and Ice program, including 20 full-time positions (20 Filled).								
Road Fund						303,100	303,100		303,100	303,100	
Project Total						303,100	303,100		303,100	303,100	
18	GB	Highways - Maintenance									
ABRC35F0017			Provide funds to support increased operating expenditures related to the Maintenance - Ditching program.								
Road Fund						1,200,000	1,200,000		1,200,000	1,200,000	
Project Total						1,200,000	1,200,000		1,200,000	1,200,000	
19	GB	Highways - Maintenance									
ABRC35F0020			Provide funds to support increased operating expenditures related to the Maintenance - Bridge Materials program.								
Road Fund						600,000	600,000		600,000	600,000	
Project Total						600,000	600,000		600,000	600,000	
20	GB	Highways - Maintenance									
ABRC35F0019			Provide funds to support increased operating expenditures related to the Maintenance - Signs program.								
Road Fund						500,000	500,000		500,000	500,000	
Project Total						500,000	500,000		500,000	500,000	

## L - Transportation Cabinet

## Operating Budget

## Highways

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
21	GB	Highways - Maintenance								
ABRC35F0022	Provide funds to support personnel expenditures related to the Maintenance - Traffic Operations program, including 20 personnel positions (20 vacant).									
Road Fund								347,500	347,500	
Project Total								347,500	347,500	
22	GB	Highways - Engineering Administration								
ABRC35F0031	Provide funds to support personnel expenditures related to the Engineering Administration - Right-of-Way program, including 18 personnel positions (18 vacant).									
Road Fund					49,300	49,300		52,400	52,400	
Project Total					49,300	49,300		52,400	52,400	
23	GB	Highways - Highway Operations								
ABRC35F0039	Provide funds to support personnel expenditures related to Highway Operations scholarship personnel, including 32 Other personnel positions (32 vacant).									
Road Fund					310,000	310,000		310,000	310,000	
Project Total					310,000	310,000		310,000	310,000	
24	GB	Highways - Engineering Administration								
ABRC35F0027	Provide funds to support personnel expenditures related to the Engineering Administration - Construction program, including 23 personnel positions (23 vacant).									
Road Fund					36,000	36,000		38,200	38,200	
Project Total					36,000	36,000		38,200	38,200	
25	GB	Highways - Engineering Administration								
ABRC35F0030	Provide funds to support personnel expenditures related to the Engineering Administration - Environmental Analysis program, including two (2) personnel positions (2 vacant).									
Road Fund					37,800	37,800		40,100	40,100	
Project Total					37,800	37,800		40,100	40,100	
26	GB	Highways - Engineering Administration								
ABRC35F0029	Provide funds to support personnel expenditures related to the Engineering Administration - Design program, including 11 personnel positions (11 vacant).									
Road Fund					97,500	97,500		103,500	103,500	
Project Total					97,500	97,500		103,500	103,500	

## L - Transportation Cabinet

## Operating Budget

## Highways

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>27</b>	<b>GB</b>	<b>Highways - Engineering Administration</b>								
	ABRC35F0028	Provide funds to support personnel expenditures related to the Engineering Administration - Materials program, including six (6) personnel positions (6 vacant).								
	Road Fund				122,300	122,300		130,000	130,000	
	<b>Project Total</b>				<b>122,300</b>	<b>122,300</b>		<b>130,000</b>	<b>130,000</b>	
<b>28</b>	<b>GB</b>	<b>Highways - Engineering Administration</b>								
	ABRC35F0033	Provide funds to support personnel expenditures related to the Engineering Administration - Planning program, including four (4) full-time and one (1) part-time personnel positions (5 vacant).								
	Road Fund				45,900	45,900		48,700	48,700	
	<b>Project Total</b>				<b>45,900</b>	<b>45,900</b>		<b>48,700</b>	<b>48,700</b>	
<b>29</b>	<b>GB</b>	<b>Highways - Engineering Administration</b>								
	ABRC35F0032	Provide funds to support personnel expenditures related to the Engineering Administration - Program Management program, including two (2) personnel positions (2 vacant).								
	Road Fund				129,900	129,900		137,700	137,700	
	<b>Project Total</b>				<b>129,900</b>	<b>129,900</b>		<b>137,700</b>	<b>137,700</b>	
<b>30</b>	<b>GB</b>	<b>Highways - Planning</b>								
	ABRC35F0036	Provide funds to support personnel expenditures related to the Planning - Modal Programs program, including two (2) personnel positions (2 vacant).								
	Road Fund				24,400	24,400		25,800	25,800	
	<b>Project Total</b>				<b>24,400</b>	<b>24,400</b>		<b>25,800</b>	<b>25,800</b>	
<b>31</b>	<b>GB</b>	<b>Highways - Highway Operations</b>								
	ABRC35F0037	Provide funds to support personnel expenditures related to the Highway Operations - District Operations program, including three (3) personnel positions (3 vacant).								
	Road Fund							60,600	60,600	
	<b>Project Total</b>							<b>60,600</b>	<b>60,600</b>	
<b>32</b>	<b>GB</b>	<b>Highways - Planning</b>								
	ABRC35F0034	Provide funds to support personnel expenditures related to the Planning - District Overhead Planning program, including two (2) personnel positions (2 vacant).								
	Road Fund				3,400	3,400		3,600	3,600	
	<b>Project Total</b>				<b>3,400</b>	<b>3,400</b>		<b>3,600</b>	<b>3,600</b>	

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## Operating Budget

## Highways

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
33	GB	Highways - Highway Operations								
ABRC35F0038		Provide funds to support personnel expenditures related to the Highway Operations - Contract Procurement program, including one (1) personnel position (1 vacant).								
Road Fund								20,200	20,200	
Project Total								20,200	20,200	
34	GB	Highways - Planning								
ABRC35F0035		Provide Road Fund match resources to support increased personnel expenditures related to SAFETEA-LU federal funds for metropolitan planning funds.								
Road Fund					143,300	143,300		145,500	145,500	
Project Total					143,300	143,300		145,500	145,500	
35	GB	Highways - Maintenance								
ABRC35F0005		Provide funds to support increased personnel contract expenditures with other states, related to the Maintenance-Intelligent Transportation System (ITS) in the Louisville/Southern Indiana interstate region and Cumberland Gap Tunnel management project.								
Restricted Funds					561,400	561,400		623,200	623,200	
Project Total					561,400	561,400		623,200	623,200	
36	GB	Highways - Equipment Services								
ABRC35F0006		Provide funds to support personnel expenditures related to the Equipment Services program, including 10 personnel positions (10 vacant).								
Restricted Funds					144,200	144,200		270,800	270,800	
Project Total					144,200	144,200		270,800	270,800	
37	GB	Highways - Maintenance								
ABRC35F0014		Provide funds to support increased operating expenditures related to the Maintenance - Materials program.								
Road Fund					1,000,000	1,000,000		1,000,000	1,000,000	
Project Total					1,000,000	1,000,000		1,000,000	1,000,000	
38	GB	Highways - Maintenance								
ABRC35F0023		Provide funds to support increased operating expenditures related to the Maintenance program equipment operations cost increases.								
Road Fund					290,900	290,900		354,300	354,300	
Project Total					290,900	290,900		354,300	354,300	

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## Operating Budget

## Highways

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
39	GB	Highways - Research								
ABRC35F0009		Provide Road Fund match resources to support increased personnel expenditures related to SAFETEA-LU federal funds for highway research and development studies.								
Road Fund					264,500	264,500		264,500	264,500	
Project Total					264,500	264,500		264,500	264,500	
40	GB	Highways - Highway Operations								
ABRC35F0040		Provide funds to support personnel expenditures increase of approximately \$100 monthly in the Highway Operations - Scholarship Stipend program.								
Road Fund					75,000	75,000		75,000	75,000	
Project Total					75,000	75,000		75,000	75,000	
41	NEW	Highways - Construction								
ABRC35F0044		Provide Road Fund resources for the Construction Program as a result of the Department of Revenue initiative.								
Road Fund						435,800	435,800		1,027,200	1,027,200
Project Total						435,800	435,800		1,027,200	1,027,200
42	NEW	Highways - Construction								
ABRC35F0045		Provide funds to support increased bond funded construction expenditures related to Economic Development Road Projects.								
Highway Bond						350,000,000	350,000,000			
Project Total						350,000,000	350,000,000			
TOTAL ADDITIONAL		30,085,900	30,085,900		388,790,600	739,226,400	350,435,800	121,920,500	122,947,700	1,027,200

## TRANSFERS TO THE GENERAL FUND

<b>Highways</b>										
Funds (VETO BY GOVERNOR REMOVED REFERENCE TO FEDERAL FUNDS)						9,000,000	9,000,000			
<b>TOTAL</b>						<b>9,000,000</b>	<b>9,000,000</b>			

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**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Debt Service:** Included in the above Federal Funds appropriation is \$15,162,700 in fiscal year 2006-2007 and \$15,126,700 in fiscal year 2007-2008 for debt service on Grant Anticipation Revenue Vehicle (GARVEE) Bonds appropriated for this purpose in 2005 Ky. Acts, ch. 173, Part I, L., 4., (16) (HB 267)."

**"New Grant Anticipation Revenue Vehicle (GARVEE) Debt Service:** Included in the above Federal Funds appropriation is \$34,963,000 in fiscal year 2006-2007 and \$34,963,000 in fiscal year 2007-2008 for GARVEE Bonds debt service payments relating to projects financed by \$290,000,000 in GARVEE Bonds hereby authorized by the General Assembly to be issued in fiscal year 2006-2007 for payment of the GARVEE Bond road projects."

**"State Supported Construction Programs:** Included in the above Road Fund appropriation is \$304,199,300 in fiscal year 2006-2007 and \$307,526,800 in fiscal year 2007-2008 for the State Supported Construction Program."

**"State Resurfacing Program:** Included in the State Supported Construction Program is \$80,402,200 in fiscal year 2006-2007 and \$87,320,000 in fiscal year 2007-2008 from the Road Fund for the State Resurfacing Program."

**"Biennial Highway Construction Program:** Included in the State Supported Construction Program is \$186,057,100 in fiscal year 2006-2007 and \$182,466,800 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

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**"Highway Construction Contingency Account:** Included in the State Supported Construction Program is \$37,740,000 in fiscal year 2006-2007 and \$37,740,000 in fiscal year 2007-2008 for the Highway Construction Contingency Account. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

**"2006-2008 Biennial Highway Construction Plan:** Projects in the enacted 2004-2006 Biennial Highway Construction Plan are authorized to continue their current authorization into the 2006-2008 fiscal biennium."

**"Kentucky Transportation Center:** Notwithstanding KRS 177.320(4), included in the above Road Fund appropriation is \$290,000 in fiscal year 2006-2007 and \$290,000 in fiscal year 2007-2008 for the Kentucky Transportation Center."

**"New Highway Equipment Purchases:** Notwithstanding KRS 48.710(3), Restricted Funds are appropriated in the amounts of \$1,500,000 in fiscal year 2006-2007 and \$1,500,000 in fiscal year 2007-2008 from the sale of surplus equipment to purchase new highway equipment."

**"State Match Provisions:** The Transportation Cabinet is authorized to utilize state construction moneys or Toll Credits to match federal highway moneys."

**"Excess Debt Service/Lease-Rental Appropriations:** Any Road Fund appropriations that are not needed to pay lease-rental payments to the Kentucky Turnpike Authority or debt service on the Transportation Cabinet office building shall be credited to the State Construction Account."

**"Federal Aid Highway Funds:** If additional federal highway moneys are made available to Kentucky by the United States Congress, the funds shall be used according to the following priority: (a) Any demonstration-specific or project-specific money shall be used on the project identified; and (b) All other funds shall be used to ensure that projects in the fiscal biennium 2006-2008 Biennial Highway Construction Plan are funded. If additional federal moneys remain after these priorities are met, the Transportation Cabinet may select projects from the Four-Year Preconstruction Program."

**"Demonstration Projects:** The Transportation Cabinet is authorized to select up to five design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the



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Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

**"Road Fund Cash Management:** The Secretary of the Transportation Cabinet is authorized to continue the Cash Management Plan to address the policy of the General Assembly to expeditiously initiate and complete projects in the fiscal biennium 2006-2008 Biennial Highway Construction Plan. Notwithstanding KRS Chapter 45, specifically including KRS 45.242 and 45.244, the Secretary may concurrently advance projects in the Biennial Highway Construction Plan by employing management techniques that maximize the Cabinet's ability to contract for and effectively administer the project work. Under the approved Cash Management Plan, the Secretary is directed to continuously ensure that the unspent project and Road Fund balances available to the Transportation Cabinet are sufficient to meet expenditures consistent with appropriations provided."

**"Biennial Highway Construction Program:** In the event that federally funded projects contained in the enacted fiscal biennium 2006-2008 Biennial Highway Construction Program are delayed due to unforeseen circumstances, or if additional Federal Funds are received in excess of the amounts contemplated in this Act, the Transportation Cabinet may advance projects from the Highway Preconstruction Program Plan only to the extent required to ensure that the Commonwealth makes full use of all available Federal Funds."

**"Programmatic Adjustments:** The Secretary of the Transportation Cabinet is authorized to adjust the specific sums comprising the Highways appropriation programs enumerated above for the purposes of enhancing public safety, maximizing available Federal Funds, supporting economic development, and accelerating state construction projects."

**"Grant Anticipation Revenue Vehicle (GARVEE) Bonds:** Included in the above Restricted Funds appropriation is \$290,000,000 in fiscal year 2006-2007 for GARVEE Bond Funds."

**"Carry Forward of Appropriation Balances:** Notwithstanding KRS 45.229, unexpended Road Fund, Federal Funds, and Restricted Funds appropriations in the Highways budget unit for the Construction program, the Maintenance program, and the Research program in fiscal year 2005-2006 and fiscal year 2006-2007 shall not lapse and shall carry forward."

**"Road Fund Support for Aviation Economic Development Projects:** The Secretary of the Transportation Cabinet shall have the authority to expend Road Fund appropriations from the Highways budget unit to support the development, construction,

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reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports, subject to Part XIII of this Act."

The State/Executive Branch Budget Bill, Part I, Operating Budget, Judgments appropriation unit includes language provisions that direct:

**"Payment of Judgments:** Road Fund resources required to pay judgments shall be transferred from the State Construction Account at the time when actual payments must be disbursed from the State Treasury."

**"Carry Forward of Road Fund Appropriation Balance:** Notwithstanding KRS 45.229, any funds not expended by June 30, 2007, shall not lapse and shall carry forward."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"State Supported Construction Programs:** Included in the above Road Fund appropriation is \$304,199,300 in fiscal year 2006-2007 and \$307,526,800 in fiscal year 2007-2008 for the State Supported Construction Program."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"State Supported Construction Programs:** Included in the above Road Fund appropriation is \$306,587,500 in fiscal year 2006-2007 and \$300,213,300 in fiscal year 2007-2008 for the State Supported Construction Program."

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Biennial Highway Construction Program:** Included in the State Supported Construction Program is \$186,057,100 in fiscal year 2006-2007 and \$182,466,800 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

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The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"Biennial Highway Construction Program:** Included in the State Supported Construction Program is \$188,445,300 in fiscal year 2006-2007 and \$175,153,200 in fiscal year 2007-2008 from the Road Fund for state construction projects in the fiscal biennium 2006-2008 Biennial Highway Construction Program. Included in the above Road Fund appropriation is \$2,500,000 in fiscal year 2006-2007 and \$2,500,000 in fiscal year 2007-2008 to support the Kentucky Pride Fund created in KRS 224.43-505."

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Demonstration Projects:** The Transportation Cabinet is authorized to select up to five design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"Demonstration Projects:** The Transportation Cabinet is authorized to select up to ten design/build demonstration road related projects. Notwithstanding any conflicting provisions of KRS Chapters 45A, 176, and 177, for procurement purposes, the Transportation Cabinet shall utilize a qualifications-based bidding process within the context of the provisions of KRS Chapter 176. The Secretary of the Transportation Cabinet shall determine the nature and scope of each design/build project."

The General Assembly adds Part I, Operating Budget, language provisions as follows:

**"Kentucky Pride Fund Program Report:** The Environmental and Public Protection Cabinet shall provide to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation a program and financial status report of all expenditures related to the Kentucky Pride Fund. The status report shall be provided to the Interim Joint Committee on Transportation no later than October 1 of each year."

**"Road Fund Support for Aviation:** The Cabinet may utilize an amount not to exceed \$10,000,000 of its annual Road Fund appropriations for the Department of Aviation, including but not limited to providing financial aid to governmental units and local air

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**Highways**

boards for the development, construction, reconstruction, maintenance, and repair of airport runways, aprons, and taxiways at public airports and public use airports as defined in KRS 183.011(20) and (21), as identified in Part I, L.2., Aviation, of this Act."

**"Paving and Rehabilitation:** The Kentucky Transportation Cabinet is encouraged to provide grading and paving rehabilitation efforts on I-64 from Grayson to the West Virginia border at the level equal to that accomplished on I-64 in Bath County, Rowan County, and the remainder of Carter County."

**"Interlocal Agreement:** Any local government may be permitted to enter into a cooperative agreement with the Transportation Cabinet to maintain traffic control devices on state maintained roads within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of such maintenance. The agreement may permit local governments to make temporary repairs to state maintained road surfaces within the local government's jurisdiction and shall be reimbursed by the Transportation Cabinet for the actual cost of the temporary repairs."

**"Rest Area Closure:** Notwithstanding KRS 177.240, the Transportation Cabinet may close the following five rest area sites:

- (a) Hart County - One site located on I-65 southbound at milepost 55.1;
- (b) Hardin County - Two sites located on I-65 northbound and southbound at milepost 81.0;
- (c) Madison County - Two sites located on I-75 northbound and southbound at milepost 82.3."

**"Pavement Management:** The Secretary of the Transportation Cabinet may implement a Pavement Management Program to promote pavement preventive maintenance and maintain a higher level of pavement quality between resurfacing cycles. The Transportation Cabinet may expend an amount not to exceed \$8,000,000 for this purpose for the 2006-2008 biennium."

**"Miscellaneous Road Fund Projects:** The Transportation Cabinet may undertake the following miscellaneous road projects, using the suggested Road Fund allocations contained therein:

- (a) Campbell County Street Reconstruction: Reconstruct Chateau Drive in Dayton, Kentucky, for \$100,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (b) Clark County Resurfacing: Resurface KY 15 from milepost 0 to 4.216 near Crow Ridge Road in Clark County for \$280,000 from Road Fund resources in fiscal year 2006-2007;
- (c) Fayette County Traffic Control Device: Add a left turn signal to both sides of the traffic control signal at the intersection of Russell Cave Road and Asbury Lane in Lexington, Fayette County, Kentucky before November 2006, to be paid from Road Fund resources;

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- (d) Fayette County Traffic Control Device: Install a traffic light at Helmsdale and Man-O-War for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (e) Fayette County Traffic Control Device: Install a traffic light at Todds Road and Autumn Ridge for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (f) Floyd County Traffic Control Device: Install a traffic control device on KY 80 at Duff Elementary School in Floyd County for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (g) Franklin County Tunnel Maintenance: Implement a tunnel clearance project adjacent to the Kentucky River for \$500,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (h) Hopkins County Sidewalks: Construct sidewalks on US 41, South Main Street in the City of Madisonville for \$390,000 from the Highway Construction Contingency Account in fiscal year 2007-2008;
- (i) Jefferson County, Louisville Kennedy Bridge: The Transportation Cabinet shall complete the painting of the Kennedy Bridge on Interstate 65 in Louisville, Kentucky within the current biennium;
- (j) Jefferson County Traffic Control Device: Install a traffic control device at the intersection of Rockford Lane and Dover Road in Jefferson County, Shively, Kentucky for \$25,000 from Road Fund resources in fiscal year 2006-2007;
- (k) Jefferson County Sound Barriers: A sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet. The cost related to the installation of the sound barrier shall be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (l) Jefferson County Bridge Preservation: Restore and reconstruct the historic bridge on Old Taylorsville Road over Chenoweth Run Creek, for \$210,000 from the Municipal Bond Pool;
- (m) Jessamine County Resurfacing: Resurface KY 1541 from milepost 6.936 near Sulphur Well Road to KY 39 at milepost 9.668 near Logana Road in Jessamine County for \$136,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (n) Kenton County Traffic Control Device: Install a traffic control device at the intersection of Oak and Adella in the City of Ludlow for \$20,000 from Road Fund resources in fiscal year 2006-2007;
- (o) Menifee County Resurfacing: Resurface last 0.5 miles of Carrington Green Road at the Bath County line for \$10,000 from Road Fund resources in fiscal year 2006-2007;
- (p) Rowan County Street and Parking Improvements: Improve streets and parking in the City of Morehead for \$150,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (q) Russell County Guardrail Installation: Install approximately 500 feet of guardrail on KY 1058 between mile marker 2 and 3 in Russell County, to be paid from Road Fund resources;

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**Highways**

- (r) Russell County Bridge Replacement: Replace the bridge on Payne Road in Russell County for \$100,000 from Road Fund resources in fiscal year 2006-2007;
- (s) Simpson County Resurfacing: Resurface Cedar Bluff Road in Simpson County beginning at US 31W to the Warren County line for \$110,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (t) Simpson County Widening and Resurfacing: Widen and resurface Rapids-Hickory Flat Road in Simpson County for \$143,000 from the Highway Construction Contingency Account in fiscal year 2006-2007;
- (u) Simpson County Widening and Resurfacing: Widen and resurface Neely Road in Simpson County for \$137,000 from the Highway Construction Contingency Account in fiscal year 2006-2007; and
- (v) Simpson County Highway Access: Create an access point on the south side of KY 100 at 300 feet east of the intersection with US 31W in Simpson County, to be paid from Road Fund resources."

**"Louisville Bridges Project Plan Report:** The Secretary of the Transportation Cabinet shall submit to the Legislative Research Commission by December 1, 2006, a long-term planning report for the Louisville Bridges Project. The planning report shall include project strategy, timeline, projected and actual financial data, construction schedule, total cost and cost to complete, anticipated revenues, revenue sources, and the overall financial impact on state transportation funds of the Louisville Bridges Project with respect to the federally funded component and the state-funded component, over the life of the project. The Transportation Cabinet shall also submit to the Interim Joint Committee on Appropriations and Revenue and the Interim Joint Committee on Transportation a copy of the Initial Financial Plan at the same time as it files the plan with the Federal Highway Administration, but in no event later than December 31, 2006."

The General Assembly amends Part V, Funds Transfer, to include a transfer from Highways, Federal Funds of \$9,000,000 in fiscal year 2006-2007 from Seat Belt Law resources.

The Governor of the Commonwealth vetoes, in part, the following:

*Partial Veto # 22 - "I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:*

Page 146, line 16, after the character ":" delete "The Transportation Cabinet".  
Page 146, line 17, delete "shall".

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**Highways**

*This part mandates the completion of the painting of the Kennedy Bridge in Louisville within the current biennium. I am vetoing this part because the introductory provision on page 145, section 25, states that the Transportation Cabinet may undertake the following miscellaneous road projects. This provision is one of twenty-two miscellaneous projects listed, but the language for this project is mandatory rather than permissive. I am retaining the part that allows the Transportation Cabinet to complete the bridge painting."*

Partial Veto #23 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:*

Page 146, line 22, after the character ":" delete "A sound barrier shall be".

Page 146, line 24, after the word "feet" delete ". The cost related to the installation of the sound barrier shall be".

Page 146, line 25 in its entirety.

Page 146, line 26, delete "2006-2007".

*This part mandates that a sound barrier shall be installed on the north side of I-264/Watterson Expressway from the west side of the Newburg Interchange going west 1,500 feet, to be funded for \$650,000 from the Highway Construction Contingency Account in fiscal year 2006-2007. I am vetoing this part because the introductory provision on page 145, section 25, states that the Transportation Cabinet may undertake the following miscellaneous road projects. This provision is one of twenty-two miscellaneous projects listed, but the language for this project is mandatory rather than permissive. I am retaining the portion of the part that allows the Transportation Cabinet to install the sound barrier."*

Partial Veto #27 - *"I, Ernie Fletcher, Governor of the Commonwealth of Kentucky, pursuant to the authority granted under Section 88 of the Kentucky Constitution, do hereby veto the following part:*

Page 435, line 13, delete "Federal".

*This part mandates the transfer of \$9,000,000 in Federal Highway funds to the General Fund in fiscal year 2006-2007. I am vetoing this part because the grant requirements for the federal funds prohibit the direct transfer to the General Fund. Federal funds must be expended by state or recipient agencies for legal and eligible purposes. I am retaining the value of the \$9,000,000 fund transfer in the anticipation that some portion of it may be executed in conformity with the federal grant."*

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## L - Transportation Cabinet

## Operating Budget

## Public Transportation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	5,203,500	5,203,500		5,203,400	7,703,400	2,500,000	5,203,400	5,203,400	
Restricted Funds	508,900	508,900		555,700	555,700		555,700	555,700	
Federal Funds	55,160,700	55,160,700		40,204,200	40,204,200		40,233,600	40,233,600	
<b>Regular Total Funds</b>	<b>60,873,100</b>	<b>60,873,100</b>		<b>45,963,300</b>	<b>48,463,300</b>	<b>2,500,000</b>	<b>45,992,700</b>	<b>45,992,700</b>	
Use of Continuing	1,894,300	1,894,300							
<b>TOTAL FUNDS</b>	<b>62,767,400</b>	<b>62,767,400</b>		<b>45,963,300</b>	<b>48,463,300</b>	<b>2,500,000</b>	<b>45,992,700</b>	<b>45,992,700</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	1,686,300	1,686,300		1,570,200	1,570,200		1,589,900	1,589,900	
Operating Expenses	179,800	179,800		176,600	176,600		176,600	176,600	
Grants, Loans, Benefits	60,901,300	60,901,300		44,216,500	46,716,500	2,500,000	44,226,200	44,226,200	
<b>TOTAL EXPENDITURES</b>	<b>62,767,400</b>	<b>62,767,400</b>		<b>45,963,300</b>	<b>48,463,300</b>	<b>2,500,000</b>	<b>45,992,700</b>	<b>45,992,700</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	5,203,500	5,203,500		5,203,400	5,203,400		5,203,400	5,203,400	
Restricted Funds	508,900	508,900		511,600	511,600		516,100	516,100	
Federal Funds	55,160,700	55,160,700		27,376,700	27,376,700		27,404,900	27,404,900	
<b>Regular Total Funds</b>	<b>60,873,100</b>	<b>60,873,100</b>		<b>33,091,700</b>	<b>33,091,700</b>		<b>33,124,400</b>	<b>33,124,400</b>	
Use of Continuing	1,894,300	1,894,300							
<b>TOTAL BASE LEVEL</b>	<b>62,767,400</b>	<b>62,767,400</b>		<b>33,091,700</b>	<b>33,091,700</b>		<b>33,124,400</b>	<b>33,124,400</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund					2,500,000	2,500,000			
Restricted Funds				44,100	44,100		39,600	39,600	
Federal Funds				12,827,500	12,827,500		12,828,700	12,828,700	
<b>TOTAL ADDITIONAL</b>				<b>12,871,600</b>	<b>15,371,600</b>	<b>2,500,000</b>	<b>12,868,300</b>	<b>12,868,300</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Public Transportation</b>									
ABRC35E0004	Provide funds to support increased grant expenditures related to SAFETEA-LU federal funds for statewide transit operations.								
Federal Funds				12,769,100	12,769,100		12,769,100	12,769,100	
<b>Project Total</b>				<b>12,769,100</b>	<b>12,769,100</b>		<b>12,769,100</b>	<b>12,769,100</b>	

## L - Transportation Cabinet

## Operating Budget

## Public Transportation

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
2	GB	Public Transportation									
ABRC35E0003	Provide General Fund match resources to support increased grant expenditures related to SAFETEA-LU federal funds for statewide transit operations.										
General Fund							2,500,000	2,500,000			
Project Total							2,500,000	2,500,000			
3	GB	Public Transportation									
ABRC35E0001	Provide funds to support personnel expenditures related to Public Transportation three (3) personnel positions (3 vacant) positions.										
Federal Funds				58,400		58,400			59,600	59,600	
Project Total				58,400		58,400			59,600	59,600	
4	GB	Public Transportation - Human Services Delivery									
ABRC35E0005	Provide authorization for a Memorandum of Agreement with the Cabinet for Health and Family Services for one personnel position (1 vacant).										
Restricted Funds				44,100		44,100			39,600	39,600	
Project Total				44,100		44,100			39,600	39,600	
TOTAL ADDITIONAL				12,871,600		15,371,600		2,500,000	12,868,300	12,868,300	

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**Public Transportation**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"Toll Credits:** The Transportation Cabinet is authorized to use Toll Credits to match Federal Funds for transit systems capital grants."

**"Nonpublic School Transportation:** Included in the above General Fund appropriation is \$2,950,000 in fiscal year 2006-2007 and \$2,950,000 in fiscal year 2007-2008 for nonpublic school transportation."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Toll Credits:** The Transportation Cabinet is authorized to use Toll Credits to match Federal Funds for transit systems capital grants."

The General Assembly adds Part I, Operating Budget, language provisions as follows:

**"Toll Credits:** The Transportation Cabinet is authorized to maximize to the extent necessary the use of Toll Credits to match Federal Funds for transit systems capital grants."

**"State Match Provisions:** Included in the above General Fund appropriation is \$2,500,000 in fiscal year 2006-2007 to provide additional General Fund match resources to support increased grant expenditures related to federal funds for metropolitan public transit system. Notwithstanding KRS 45.229, this appropriation shall not lapse and shall carry forward."

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## L - Transportation Cabinet

## Operating Budget

## Revenue Sharing

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Road Fund	240,939,000	240,939,000		257,668,000	241,886,100	(15,781,900)	252,908,400	244,276,700	(8,631,700)
Highway Bond	150,000,000	150,000,000		75,000,000		(75,000,000)			
<b>Regular Total Funds</b>	<b>390,939,000</b>	<b>390,939,000</b>		<b>332,668,000</b>	<b>241,886,100</b>	<b>(90,781,900)</b>	<b>252,908,400</b>	<b>244,276,700</b>	<b>(8,631,700)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>390,939,000</b>	<b>390,939,000</b>		<b>332,668,000</b>	<b>241,886,100</b>	<b>(90,781,900)</b>	<b>252,908,400</b>	<b>244,276,700</b>	<b>(8,631,700)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	2,870,500	2,870,500		2,935,100	2,935,100		2,971,100	2,971,100	
Operating Expenses	46,443,900	46,443,900		47,139,100	47,139,100		47,654,600	47,654,600	
Grants, Loans, Benefits	129,827,200	129,827,200		138,837,200	123,055,300	(15,781,900)	132,945,200	124,313,500	(8,631,700)
Construction	211,797,400	211,797,400		143,756,600	68,756,600	(75,000,000)	69,337,500	69,337,500	
<b>TOTAL EXPENDITURES</b>	<b>390,939,000</b>	<b>390,939,000</b>		<b>332,668,000</b>	<b>241,886,100</b>	<b>(90,781,900)</b>	<b>252,908,400</b>	<b>244,276,700</b>	<b>(8,631,700)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Road Fund	229,080,600	229,080,600		257,668,000	241,762,000	(15,906,000)	252,908,400	243,986,400	(8,922,000)
Highway Bond	150,000,000	150,000,000							
<b>Regular Total Funds</b>	<b>379,080,600</b>	<b>379,080,600</b>		<b>257,668,000</b>	<b>241,762,000</b>	<b>(15,906,000)</b>	<b>252,908,400</b>	<b>243,986,400</b>	<b>(8,922,000)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>379,080,600</b>	<b>379,080,600</b>		<b>257,668,000</b>	<b>241,762,000</b>	<b>(15,906,000)</b>	<b>252,908,400</b>	<b>243,986,400</b>	<b>(8,922,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Road Fund	11,858,400	11,858,400			124,100	124,100		290,300	290,300
Highway Bond				75,000,000		(75,000,000)			
<b>TOTAL ADDITIONAL</b>	<b>11,858,400</b>	<b>11,858,400</b>		<b>75,000,000</b>	<b>124,100</b>	<b>(74,875,900)</b>		<b>290,300</b>	<b>290,300</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 NEW Revenue Sharing - County Road Aid Program</b>									
ABRC35C0001 Provide Highway Bond Fund resources for the County Road Aid Program.									
Highway Bond				50,000,000		(50,000,000)			
<b>Project Total</b>				<b>50,000,000</b>		<b>(50,000,000)</b>			
<b>2 NEW Revenue Sharing - Municipal Road Aid Program</b>									
ABRC35C0002 Provide Highway Bond Fund resources for the Municipal Road Aid Program.									
Highway Bond				25,000,000		(25,000,000)			
<b>Project Total</b>				<b>25,000,000</b>		<b>(25,000,000)</b>			

## L - Transportation Cabinet

## Operating Budget

## Revenue Sharing

		Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
		Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
3	GB	Revenue Sharing								
ABRC35C0003		Provide Road Fund resources to reflect an increase in current year Consensus Forecast Group revenue estimates.								
Road Fund		11,858,400	11,858,400							
Project Total		11,858,400	11,858,400							
4	NEW	Revenue Sharing - County Aid Program								
ABRC35C0004		Provide Road Fund resources for the County Road Aid Program as a result of the Department of Revenue initiative.								
Road Fund						47,100	47,100		110,200	110,200
Project Total						47,100	47,100		110,200	110,200
5	NEW	Revenue Sharing - Rural Secondary Road								
ABRC35C0005		Provide Road Fund resources for the Rural Secondary Road Aid Program as a result of the Department of Revenue initiative.								
Road Fund						57,200	57,200		133,700	133,700
Project Total						57,200	57,200		133,700	133,700
6	NEW	Revenue Sharing - Municipal Road Aid								
ABRC35C0006		Provide Road Fund resources for the Municipal Road Aid Program as a result of the Department of Revenue initiative.								
Road Fund						19,800	19,800		46,400	46,400
Project Total						19,800	19,800		46,400	46,400
TOTAL ADDITIONAL		11,858,400	11,858,400		75,000,000	124,100	(74,875,900)		290,300	290,300

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**Revenue Sharing**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget includes language provisions that direct:

**"County Road Aid Program:** (a) Included in the above Road Fund appropriation is \$97,409,500 in fiscal year 2006-2007 and \$93,522,100 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.360(1) and \$25,000,000 shall be distributed by application process as determined by the Transportation Cabinet."

**"Rural Secondary Program:** Included in the above Road Fund appropriation is \$118,169,000 in fiscal year 2006-2007 and \$119,101,400 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

**"Municipal Road Aid Program:** (a) Included in the above Road Fund appropriation is \$40,986,500 in fiscal year 2006-2007 and \$38,981,900 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

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**Revenue Sharing**

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount \$12,500,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369, and \$12,500,000 shall be distributed by application process as determined by the Transportation Cabinet."

**"Energy Recovery Road Fund:** Included in the above Road Fund appropriation is \$1,103,000 in fiscal year 2006-2007 and \$1,303,000 in fiscal year 2007-2008 for the Energy Recovery Road Fund in accordance with KRS 177.977, 177.9771, 177.9772, 177.978, 177.979, and 177.981."

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"County Road Aid Program:** (a) Included in the above Road Fund appropriation is \$97,409,500 in fiscal year 2006-2007 and \$93,522,100 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and 179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

(b) Notwithstanding KRS 177.320(2), the above amount in fiscal year 2007-2008 has been reduced by \$4,656,000 which has been appropriated in the Debt Service budget unit for the support of \$50,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$50,000,000 in fiscal year 2006-2007 for the County Road Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount, \$25,000,000 shall be distributed in accordance with KRS 177.360(1) and \$25,000,000 shall be distributed by application process as determined by the Transportation Cabinet."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"County Road Aid Program:** (a) Included in the above Road Fund appropriation is \$91,417,600 in fiscal year 2006-2007 and \$92,249,300 in fiscal year 2007-2008 for the County Road Aid Program in accordance with KRS 177.320, 179.410, 179.415, and



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**Revenue Sharing**

179.440. Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$38,000 in fiscal year 2006-2007 and \$38,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$6,039,000 in fiscal year 2006-2007 and \$8,784,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$350,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Rural Secondary Program:** Included in the above Road Fund appropriation is \$118,169,000 in fiscal year 2006-2007 and \$119,101,400 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"Rural Secondary Program:** (a) Included in the above Road Fund appropriation is \$110,900,200 in fiscal year 2006-2007 and \$111,909,100 in fiscal year 2007-2008 for the Rural Secondary Program in accordance with KRS 177.320, 177.330, 177.340, 177.350, and 177.360. Notwithstanding KRS 177.320(1), the above amounts have been reduced by \$46,000 in fiscal year 2006-2007 and \$46,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$7,326,000 in fiscal year 2006-2007 and \$10,656,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$350,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

The General Assembly deletes a Part I, Operating Budget, language provision as follows:

**"Municipal Road Aid Program:** (a) Included in the above Road Fund appropriation is \$40,986,500 in fiscal year 2006-2007 and \$38,981,900 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369.

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**Revenue Sharing**

Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center."

(b) Notwithstanding KRS 177.365(1), the above amount in fiscal year 2007-2008 has been reduced by \$2,328,000 which has been appropriated in the Debt Service budget unit for the support of \$25,000,000 in Highway Bonds.

(c) Included in the above Highway Bonds is \$25,000,000 in fiscal year 2006-2007 for the Municipal Aid Program, expressly for bridges and paving and rehabilitation of existing roads. From that amount \$12,500,000 shall be distributed in accordance with KRS 177.365, 177.366, and 177.369, and \$12,500,000 shall be distributed by application process as determined by the Transportation Cabinet."

The General Assembly adds a Part I, Operating Budget, language provision as follows:

**"Municipal Road Aid Program:** (a) Included in the above Road Fund appropriation is \$38,465,300 in fiscal year 2006-2007 and \$38,815,300 in fiscal year 2007-2008 for the Municipal Road Aid Program in accordance with KRS 177.365, 177.366, and 177.369. Notwithstanding KRS 177.365(1), the above amounts have been reduced by \$16,000 in fiscal year 2006-2007 and \$16,000 in fiscal year 2007-2008 which has been appropriated to the Highways budget unit for the support of the Kentucky Transportation Center.

(b) Notwithstanding KRS 177.320(2), the above amounts have been reduced by \$2,541,000 in fiscal year 2006-2007 and \$3,696,000 in fiscal year 2007-2008 and appropriated in the Debt Service budget unit for the support of the \$350,000,000 of Highway Bonds authorized in Part I , L. Transportation, 4. Highways of this Act."

## L - Transportation Cabinet

## Operating Budget

## Vehicle Regulation

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	5,886,100	5,886,100		4,109,900	4,109,900		4,101,900	4,101,900	
Federal Funds	1,179,700	1,179,700		285,500	3,285,500	3,000,000	285,500	285,500	
Road Fund	16,280,300	16,280,300		17,396,100	17,396,100		18,269,900	18,269,900	
<b>Regular Total Funds</b>	<b>23,346,100</b>	<b>23,346,100</b>		<b>21,791,500</b>	<b>24,791,500</b>	<b>3,000,000</b>	<b>22,657,300</b>	<b>22,657,300</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>23,346,100</b>	<b>23,346,100</b>		<b>21,791,500</b>	<b>24,791,500</b>	<b>3,000,000</b>	<b>22,657,300</b>	<b>22,657,300</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	13,428,700	13,428,700		13,567,600	13,567,600		14,037,200	14,037,200	
Operating Expenses	9,917,400	9,917,400		8,223,900	11,223,900	3,000,000	8,620,100	8,620,100	
<b>TOTAL EXPENDITURES</b>	<b>23,346,100</b>	<b>23,346,100</b>		<b>21,791,500</b>	<b>24,791,500</b>	<b>3,000,000</b>	<b>22,657,300</b>	<b>22,657,300</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	5,886,100	5,886,100		4,109,900	4,109,900		4,101,900	4,101,900	
Federal Funds	1,179,700	1,179,700		285,500	285,500		285,500	285,500	
Road Fund	15,333,000	15,333,000		15,856,900	15,856,900		16,259,200	16,259,200	
<b>Regular Total Funds</b>	<b>22,398,800</b>	<b>22,398,800</b>		<b>20,252,300</b>	<b>20,252,300</b>		<b>20,646,600</b>	<b>20,646,600</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>22,398,800</b>	<b>22,398,800</b>		<b>20,252,300</b>	<b>20,252,300</b>		<b>20,646,600</b>	<b>20,646,600</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Federal Funds					3,000,000	3,000,000			
Road Fund	947,300	947,300		1,539,200	1,539,200		2,010,700	2,010,700	
<b>TOTAL ADDITIONAL</b>	<b>947,300</b>	<b>947,300</b>		<b>1,539,200</b>	<b>4,539,200</b>	<b>3,000,000</b>	<b>2,010,700</b>	<b>2,010,700</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB</b>	<b>Vehicle Regulation - Motor Carriers</b>								
ABRC35G0003	Provide funds to support Personnel expenditures related to Motor Carriers, including six positions (6 vacant).								
Road Fund				265,000	265,000		271,200	271,200	
<b>Project Total</b>				<b>265,000</b>	<b>265,000</b>		<b>271,200</b>	<b>271,200</b>	
<b>2 GB</b>	<b>Vehicle Regulation - Drivers Licensing</b>								
ABRC35G0002	Provide funds to support Personnel expenditures related to Drivers Licensing, including four positions (4 vacant).								
Road Fund				198,100	198,100		202,600	202,600	
<b>Project Total</b>				<b>198,100</b>	<b>198,100</b>		<b>202,600</b>	<b>202,600</b>	

## L - Transportation Cabinet

## Operating Budget

## Vehicle Regulation

			Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
			Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>3</b>	<b>GB</b>	<b>Vehicle Regulation - Motor Vehicle Licensing</b>									
ABRC35G0004		Provide funds to support Personnel expenditures related to Motor Vehicle Licensing, including three positions (3 vacant).									
Road Fund						156,700	156,700		160,400	160,400	
<b>Project Total</b>						<b>156,700</b>	<b>156,700</b>		<b>160,400</b>	<b>160,400</b>	
<b>4</b>	<b>GB</b>	<b>Vehicle Regulation - Drivers Licensing</b>									
ABRC35G0006		Provide funds to support increased operating expenditures related to the issuance of digitized photo drivers licenses.									
Road Fund			412,200	412,200		412,200	412,200		869,300	869,300	
<b>Project Total</b>			<b>412,200</b>	<b>412,200</b>		<b>412,200</b>	<b>412,200</b>		<b>869,300</b>	<b>869,300</b>	
<b>5</b>	<b>EXPAN</b>	<b>Vehicle Regulation - Motor Vehicle Licensing</b>									
ABRC35G0005		Provide funds to support increased operating expenditures to update Point of Sales computer equipment in sixty (60) County Clerk offices.									
Road Fund						350,000	350,000		350,000	350,000	
<b>Project Total</b>						<b>350,000</b>	<b>350,000</b>		<b>350,000</b>	<b>350,000</b>	
<b>6</b>	<b>GB</b>	<b>Vehicle Regulation - Commissioner</b>									
ABRC35G0001		Provide Road Fund match funds to support increased personnel expenditures related to the federal Commercial Vehicle ITS Infrastructure Component (CVISN) of the ITS Deployment program.									
Road Fund						147,200	147,200		147,200	147,200	
<b>Project Total</b>						<b>147,200</b>	<b>147,200</b>		<b>147,200</b>	<b>147,200</b>	
<b>7</b>	<b>EXPAN</b>	<b>Vehicle Regulation - Motor Vehicle Licensing</b>									
ABRC35G0007		Provide funds to support increased operating expenditures related to Salvage or Rebuilt title supplies.									
Road Fund			10,000	10,000		10,000	10,000		10,000	10,000	
<b>Project Total</b>			<b>10,000</b>	<b>10,000</b>		<b>10,000</b>	<b>10,000</b>		<b>10,000</b>	<b>10,000</b>	
<b>8</b>	<b>GB</b>	<b>Vehicle Regulation</b>									
ABRC35G0010		Provide funds to support increased personnel costs in fiscal year 2005-2006.									
Road Fund			525,100	525,100							
<b>Project Total</b>			<b>525,100</b>	<b>525,100</b>							
<b>9</b>	<b>NEW</b>	<b>Vehicle Regulation - Drivers Licensing</b>									
ABRC35G0011		Provide funds to support increased operating expenditures related to the REALID program.									
Federal Funds							3,000,000	3,000,000			
<b>Project Total</b>							<b>3,000,000</b>	<b>3,000,000</b>			

**L - Transportation Cabinet****Operating Budget****Vehicle Regulation**

	Fiscal Year 2005-2006			Fiscal Year 2006-2007			Fiscal Year 2007-2008		
	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference	Branch Budget	General Assembly	Difference
<b>TOTAL ADDITIONAL</b>	<b>947,300</b>	<b>947,300</b>		<b>1,539,200</b>	<b>4,539,200</b>	<b>3,000,000</b>	<b>2,010,700</b>	<b>2,010,700</b>	

**TRANSFERS TO THE GENERAL FUND****Vehicle Regulation**

Agency Revenue Fund	194,900	(194,900)
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<b>TOTAL</b>	<b>194,900</b>	<b>(194,900)</b>
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**Vehicle Regulation**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in fiscal biennium 2006-2008 based upon extending the reduced fiscal year 2005-2006 funding level as revised by the Governor's fiscal year 2005-2006 Budget Stability Initiative. This initiative is projected to contribute \$142,500,000 to the General Fund during fiscal year 2005-2006.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy addresses increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Motor Vehicle Commission, Restricted Funds of \$194,900 in fiscal year 2006-2007.

**GENERAL ASSEMBLY**

The General Assembly concurs with the Branch with the following changes:

The General Assembly amends Part V, Funds Transfer, to not include a transfer from the Motor Vehicle Commission, Restricted Funds of \$194,900 in fiscal year 2006-2007.

The General Assembly provides increased Federal Fund support totaling \$3,000,000 in fiscal year 2006-2007 for the REALID, Driver Licensing, program.